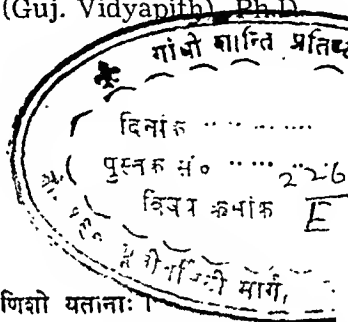




# PEACEFUL INDUSTRIAL RELATIONS E THEIR SCIENCE AND TECHNIQUE

R. J. SOMAN, B.A. (Guj. Vidyapith), Ph.D.



हंसा इव श्रेणिशो यतानाः ।

ऋग्वेद ३-१.९

[Strive like swans that flee in lengthened line.]



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## PUBLISHER'S NOTE

We are glad to publish this doctorate degree thesis of Shree R. J. Soman. Shree Soman got his B.A. from the Gujarat Vidyapith in 1924, and since then he has been working in various constructive activities of the country. For the last some years he has been working in the Navajivan Trust. During his work here, he decided to undertake this study of his interest and was permitted and encouraged by the Navajivan Trust in this his venture in useful and interesting study in Gandhian philosophy. Friends in the Labour movement, Ahmedabad, encouraged him by their help. We are glad to note that Shree Soman was fortunate to get his Ph.D. in the subject. The Gujarat University kindly helped him with a handsome amount by way of grant to publish it. Industrial relations are an important subject today. Shree Soman has tried to study it from the Gandhian standpoint. That way, we think, it is a first study of its kind, and may well be of interest not only to students but also to others in the field. We hope this will be a useful addition to Gandhian literature on the subject.

12-10-'57





TO  
THE REVERED MEMORY  
OF  
MY FATHER

समानो व आकूतिः समाना हृदयानि वः ।

समानमस्तु वो मनो यथा वः सुसहासति ॥

ऋग्वेद १०-१९१.४

[One and the same be your resolve, and be your  
minds of one accord. United be the thoughts of all  
that all may happily agree.

Tr. R. T. H. Griffith, Vol. II, p. 609.]

## FOREWORD

The author of this book is not a Trade Unionist but is primarily a student and research scholar interested in the teachings of Gandhiji. He studied the subject with a view to place before the society Gandhiji's thoughts in the matter of labour-capital relations. He has chosen to study the subject probably because of the fact that the world does not know much about the pioneer activities of Gandhiji in the field of labour movement. Gandhiji is primarily known as a politician who has led the nation in carrying on a successful struggle for Independence on non-violent lines and as a saint and seer who has guided it in its worthy endeavour for social and spiritual regeneration ; but this phase of his life and work is not known to the same extent.

Gandhiji had a broad and integrated outlook on life and therefore treated all its aspects as organic parts of one whole. In all walks of human activities he suggested values, which if adopted, would lead to the lessening of tension and conflict, and facilitate the establishment of harmony and goodwill for the wellbeing of all. He considered that the fundamental principles of Truth and Non-violence should prevail in all human activities and relations. In politics and economics as well as in social and religious matters he laid emphasis on the same basic ideas and advanced different modes and methods based on the same principles, to be adopted for the peaceful and satisfactory solution of all their various problems. His emphasis was on universal brotherhood and peace as the final aim of all human activities. Actuated by these high principles he advocated co-operation and harmonious relations between different sections and classes of society as against conflict and strife. He saw the evil that lay in concentration of wealth and power in the hands of a few, but he did not preach confiscation of wealth or liquidation of those in power or authority. For he knew that violence involves counter-violence and leads to greater enmity. He therefore preferred conversion of the rich and the powerful by a change of heart and urged them to behave

as trustees of the wealth and power they had come to possess. He hated ugly ostentation of wealth and its use for selfish enjoyment and advised the rich to use it for the welfare of the community.

In 1918 there had arisen a serious labour dispute in the textile industry in Ahmedabad and Gandhiji's services were requisitioned in the interest of peace, by the Collector, as also by the mill-owners and labour leaders, for a satisfactory solution. After an unsuccessful attempt to get the matter settled by arbitration Gandhiji himself examined the demands made by labour and, finding them to be just, took up their cause and led their strike. Apprehensions of serious disturbances were entertained in the city, but Gandhiji's leadership and the discourses he gave to the workmen every evening had a wonderful effect on their minds, with the result that their behaviour proved most exemplary and the strike turned out to be perfectly peaceful without a single incident of violence or disorder on the part of the strikers. The strike continued for several days. After about a fortnight signs of weakness were noticed amongst the ranks of labour and Gandhiji declared a fast to bring home to their minds the value of the pledge they had taken. The fast had a tremendous effect on the workers and helped them to close up their ranks and maintain their strength and morale. Though the fast was undertaken to show the workers their duty, it also influenced the mill-owners and facilitated an early settlement, the dispute having been referred to an umpire, who ultimately gave an award in terms of the workers' demands.

This eventful episode brought Gandhiji in direct and intimate contact with the working-class population and led, in due course, to the establishment of the Textile Labour Association, which has come to occupy an important place in the labour movement of this country. Gandhiji looked upon this institution, which was started and conducted directly under his guidance, as his laboratory for labour problems, and the results that have been obtained have proved very valuable for the labour movement. The success that attended the efforts made by the organization for carrying on its activities on the lines laid down by Gandhiji induced him later on to advise such Congress workers as were interested in labour activities to start an association on an all-India basis for organizing and

conducting trade union activities in the country, on the lines followed and developed in Ahmedabad. This is the genesis of the Indian National Trade Union Congress which has now come to be the largest national organization of labour in the country and has the privilege of representing Indian workers both in India and abroad.

During the period of the above-mentioned strike and thereafter, due to his close association with the Textile Labour Association at Ahmedabad, Gandhiji gave expression to his views on different aspects of labour movement and activities on the basis of the principles which, to his mind, should govern the relations between capital and labour. The speeches that he delivered in the meetings of workers, the advice he offered to trade union workers, and the awards he gave as an arbitrator provide ample material for a proper study and understanding of his attitude and thoughts on the subject.

Shree Soman deserves compliments for his careful study of this important phase of Gandhiji's life and work. It will supply valuable information about the guidance he gave in the conduct of labour activities. It will give an idea of the manner in which he sought to apply the principles of Truth and Non-violence in the efforts made to secure and safeguard the just rights and interests of workers. It will help to understand his plea for the recognition of the status of workers as co-partners in industrial concerns and his wise and far-sighted suggestion that both capital and labour should consider themselves and function as trustees of the interests of the community of consumers. The book forms a valuable addition to the available literature on labour movement in this country and will serve as a useful guide to those who are engaged in this activity.

It may not be irrelevant in this context to indicate a few important principles on which Gandhiji laid particular emphasis :

1. Workers should have a sound organization to look after and safeguard their just rights and interests. Members must pay their subscriptions regularly and maintain efficient office and staff.

2. Trade unions should conduct their activities strictly in a non-violent manner and adopt only such means as are consistent with Truth.

3. Workers should behave as responsible citizens and have due regard for the interest of the industry and the country.

4. Workers should present only just demands and in a fair and truthful manner. They should refrain from overstating their case or making exaggerated demands.

5. All industrial disputes should be settled by mutual consultation, negotiations and arbitration. They should not resort to any direct action so long as they have not exhausted all avenues of a peaceful settlement. They should however be prepared to strike if the employer refuses arbitration or does not carry out the award of the arbitrators.

6. During a strike they must be completely non-violent and peaceful. In times of stress they should not look to the public for material support but find alternative occupations for their livelihood.

7. Unions should undertake activities which would result in an all-round development—physical, mental, moral and political—of the workers and their families.

8. Employers should give due recognition to unions working on these principles and allow them all necessary facilities for carrying on their activities in a satisfactory manner.

9. The industry should be run to satisfy the requirements of the community and those who invest money in it and those who work in it should both be considered co-partners in the industry.

10. A well-organized union will help the weak and unorganized workers and rescue them from exploitation. The factory workers should also help the workers in the villages by purchasing their products and render such service as they can to the poor and the afflicted.

The writer has made an earnest effort to examine the working of the Textile Labour Association and the Indian National Trade Union Congress to indicate to some extent the practical application of the principles stated above.

At a time when the Indian National Trade Union Congress is endeavouring to spread and popularize the above principles

amongst the workers and their organizations. the publication of this book will be found very helpful.

I was one of the referees to whom the thesis was sent for examination by the Gujarat University. I like the exposition and have great pleasure in commending the work to all who are interested in the subject, as a useful and important publication produced after careful study and research.

Ahmedabad,  
14-11-'57

Khandubhai K. Desai



## INTRODUCTION

Conflict in the modern world is growing in many fields of life, including the industrial. According to Mahatma Gandhi, the practice of truth and non-violence is the only way for its elimination. The present thesis is the result of my study of the potentialities of working through non-violence in the industrial sector. In other words, it is a study in the application of truth and non-violence for resolving industrial disputes. Incidentally I have discussed also some forms of economy which, I feel, would be conducive to the creation and retention of peace in the field of industry. The day-to-day work of the Ahmedabad Textile Labour Association afforded me a rare help in this study.

I am particularly obliged to Shree Shankarlal Banker who took a personal interest in this book of mine. But for his assistance, the completion of this study in its present form would have been doubtful. I am deeply grateful to him for all this assistance.

Shree Khandubhai Desai has kindly gone through the typescript and has made some valuable suggestions. The chapter on INTUC has been added at his suggestion. This he has done in spite of his arduous duties as the Minister for Labour in the Union Government. He has further obliged me by contributing a foreword when it is being published in a book form now. I am very much indebted to him for this help.

I undertook this study for the doctorate degree of the Gujarat University, Ahmedabad. I am glad to say that it got the approval of the University for conferring on me the Ph.D. Principal S. V. Desai of the H. L. Commerce College, Ahmedabad, was my University Guide. Further, the Gujarat University permitted me to publish it and helped me with a grant to meet the expenses of its publication. I am thankful to the Gujarat University and Principal Desai for their assistance.

In the course of this study, which covered a few years, I had naturally to pass through various personal difficulties. My elderly friends Shree M. P. Desai, Registrar of the Gujarat

Vidyapith, Ahmedabad, and Shree Jivanji D. Desai, Managing Trustee of the Navajivan Trust, Ahmedabad, assisted me on all these occasions and saw me right through, for which I am obliged to them.

In the prosecution of my studies I had naturally to depend on many local libraries. The Librarians of the H. L. Commerce College, the Gujarat Vidyapith, the Navajivan Trust and the Ahmedabad Textile Labour Association gave me full co-operation, which I acknowledge with thanks.

Last but not the least come my young colleagues of the Navajivan Press office. Their words of cheer and ever-ready co-operation were always a source of great encouragement for me. I owe my special thanks to these young friends.

R. J. SOMAN

Gandhijayanti Day,  
2-10-1957  
Ahmedabad

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**PEACEFUL INDUSTRIAL RELATIONS  
THEIR SCIENCE AND TECHNIQUE**

**PART I  
THE SCIENCE**



## CHAPTER I

### THE PROBLEM OF INDUSTRIAL RELATIONS

Blessed are the Peacemakers: For they shall be called the children of God.

—Matthew, 5:9

#### Industrial Relations Defined

With the development and expansion of industrial enterprise, the management of human labour has begun to claim more attention during the last two decades than it had formerly done. It is quite likely that this claim is due to the growing democratic spirit of the labouring population which made it vocal and even aggressive as also to the realization by the management of the necessity of co-operation of human labour for the success of the enterprise. In response to this claim, the industrialists began to give increasing attention to their relations with labour. Consequently, they are trying to come to a new way of evaluating, managing and guiding the labour force with a view to enlist maximum co-operation. This has naturally compelled a partial self-introspection on the part of the capitalists also. In this way, the re-examination of the place of labour in the industrial field and the consequent self-analysis on the part of the capitalists brought about a new valuation of the relations of employers and employees. This new development is known as the science of industrial relations.

A formal definition of industrial relations can be given as follows:

Industrial relationship is the composite result of the attitudes and approaches of the employers and employees towards each other with regard to the planning, supervision, direction and co-ordination of the activities of an organization with a minimum of human effort and friction, with an animating spirit of co-operation, and with proper regard for the genuine wellbeing of all the members of the organization.\*

#### The Complexity of the Problem

An industrial corporation is a complex affair involving not only management and labour force, but machinery also with

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\* Tead & Metcalf, *Personnel Administration*, p. 2.



its tremendous power of manufacture as well as the production of goods and their sales. This complexity gives rise to maladjustments which are generally present in the relations of workers to their particular jobs, to their fellow-workers and to their employment conditions. The pronounced domination of machinery over the live human element creates a subtle and constant problem. The cumulative effect of such maladjustments is invariably reflected in the loss of goodwill between management and working-men which, in turn, yields such undesirable results as diminish efficiency and increase unrest among the workers.

This discontent in industry engenders tension between employers and employed and adversely affects industrial relations. If this tension is not attended to and is not eliminated in time, it develops into disputes known as "industrial disputes".

### **Industrial Relations as Part of Human Relationship**

Industrial relations should be taken as a part and parcel of the human relationship at large and not as something extraneous to it. They must be regarded as the natural concomitant of the industrial life of a society. History has shown that a man, a gregarious animal, is marching from a simple to gradually more corporate and integrated life. This eternal march of man has taught him various relationships. First of all, he has learnt the duties of companionship. After a certain passage of time, intricate family and neighbourly relations might have claimed his attention. Soon enough, on the economic side, he was made to attend to his duties towards his master, and on the civic side, he had to fulfil his duties towards the State. In the development of this aggregate relationship, one fact becomes patently clear, which is this that in this eternal evolution of his personality, man is always the master of the situation and has evolved a formula for every relationship on peaceful lines.† The industrial relationship is one of the many stages of his march and though it seems for the time being to have been disturbed, it is bound to flower at no distant date into peaceful co-operation.

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† Cf. "All through his history, man has been pulled in different directions by his inheritance of two sets of primitive but opposed qualities, the qualities of the solitary hunter, and the qualities of the social animal...which set... has the great survival value? Clearly, the second."—Joad, C.E.M., *Why War?*, p. 75.

## The Main Bone of Contention

H. S. Kirkaldy, while tracing the source of industrial disputes, says: "The problems of industrial relations arise with and from the divorce of the worker from the ownership of the instruments and materials of production."<sup>†</sup> The question naturally arises: Why is the worker so divorced from the ownership? The answer is that the ownership of the instruments and materials of production in an industry means possession of wealth-creating machinery. We give below a couple of samples by way of illustrations:

1. A new automatic plant for making automobile frames is 600 feet long and 212 feet wide. It takes an hour and fifty minutes to complete a frame and ninety per cent of the time the units are moving on conveyors. The plant operates day and night, seven days a week, and can only pay its way if the output reaches 75,000 frames yearly. No human hands are needed in the actual working process.

2. Till 1924, 500 men and 1000 oxen were needed to plough 1000 acres. But during the year, tractors came in and only 10 men could do the above work, thus displacing 490 men and 1000 oxen.

Naturally enough, the huge production brings huge profits in its turn and a greater part of them usually goes to the industrialists. The working-men who can be called the human producers of the profits rarely get what they regard as their due shares;<sup>§</sup> in other words, what they get is considered by them as falling below their expectations. They, therefore, naturally feel that the industrialists' profits should be restricted.

As a matter of fact there should not be a conflict between the legitimate interests of the employers and those of the employees. As Gandhiji has said, "I do not think there need be any clash between capital and labour. Each is dependent on the other.... In my opinion the mill-hands are as much the

<sup>†</sup> Kirkaldy, H. S., *The Spirit of Industrial Relations*, p. 5.

<sup>§</sup> Cf. "Unless we rule the machine and make it the instrument for the attainment of a democratic and humanitarian culture, all efforts will more and more centre on making men only efficient cogs of their machines and on allowing our economy to run on, oblivious of the needs and wants of the people."—Cooke & Murray, *Organized Labour and Production*, p. 35.

proprietors of their mills as the shareholders.”\* But the desire for their respective shares in the profits on the part of both the parties engenders tension which adversely affects industrial relations. Though, therefore, there are other causes also of industrial disputes such as bonus, leave, hours of work etc., the questions of personnel and wages form the chief causes. The following table will speak for itself:

Classification of Disputes by Demands

Demand	1952		1953	
	No. of Disputes	Percentage to Total	No. of Disputes	Percentage to Total
Wages & Allowances	283	29.4	201	26.0
Bonus	94	9.8	76	9.9
Personnel	326	33.8	276	35.8
Leave & hours of Work	72	7.5	35	4.5
Others	158	16.4	142	18.4
Not known	30	3.1	42	5.4
Total	963	100.0	772	100.0%

### Avoidance of Respective Responsibilities

It must be borne in mind that each of the parties has quite naturally its own interest in the industry, call it profits or wages as the case may be. Normally speaking, both profits and wages have certain limitations determined by tradition, custom and precedence. For instance, a factory-owner moving in a car and factory-men walking on foot to and from their factory is not regarded as unusual. These limitations are generally accepted as normal by the community at large and are hardly resented by labour. Even enlightened profit motive should make the employer try to make his workers contented; but the distemper

\* *Young India*, 4-8-27.

¶ *The Indian Labour Year Book*, 1953-54, p. 160.

sets in only when the profit motive alone takes full possession of the industrialist and makes him oblivious of his duties towards his labour population. He then becomes averse to any change and to any improvement in the economic status of his workers. He develops persistent opposition to all the forms of progressive labour legislation and thus becomes an unrelenting enemy of labour combinations and trade unionism. His pride and prejudice, his hatred and intrigue, his cruelty and vulgarity, create an almost unbridgeable gulf between him and his workers. Also he is preoccupied more with his machinery and technical problems of production and distribution and he woefully neglects the human factor in industry and commerce.† Very often the conditions of employment are unsatisfactory, the working hours are long and there is absence of an equitable relation between work and pay. The employer is ever negligent of the machinery for the peaceful adjustment of grievances. Naturally, therefore, the worker is ever nervous over the insecurity of his job.

This does not at all mean that the responsibility for the creation of this tension, not infrequently bursting forth in strikes and even in riots, rests wholly with the employers. The working-men also have their share in the responsibility. They, their leaders and even the humanitarians are generally inclined to blame the employers for such conflicts. They become sensitive to circumstantial fluctuations and tend to magnify the minor incidents into grave issues. For all the ills existing in the industry and in business, they attribute to the employers sordid motives of selfishness and exploitation. Not infrequently, the workers surrender to corrupt and emotional leadership which is either unwilling and unable or both to think in terms of normal situations or mutual interests. This is the reason why it is not always easy to fix the responsibility for a particular development on one party or the other.

### Constituent Problems

The real problems of personal relations pertain to the administration of the labour force. They revolve around the

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† Cf. "Constant and rapid change in industrial processes has deprived workers of long, continuing, constant working relationships through which effective communication and collaboration were secured."—Gregg, R. B., *Which Way Lies Hope?*, p. 29.

selection, placement and maintenance of the working-men as also about the ways and means of sharing certain phases of managerial control with employees. "Industrial unrest is merely the manifestation of maladjustments which obtain in the intricate relations of men to jobs, of management to men and of both to the broader aspects of our economic and political systems."‡ The constructive function of personnel administration is to devise effective ways and means of maintaining unity and balance in all employment relationships.

Sometimes, there are difficulties which arise in connection with the selection and placement of the labouring force. Even if the sources of labour supply are satisfactory, stability and efficiency of the working people may be adversely affected because proper technique of selection and placement is lacking. This is very often due to the absence of job analysis and job description which frequently contributes to such maladjustments as excessive labour turnover, dissatisfaction and incompetence. It must be remembered that industrial peace, goodwill and efficiency which are the objectives of intelligent personnel administration, invariably begin with proper recruitment, selection and placement.

But it must not be supposed that if the three, viz., recruitment, selection and placement, are properly adjusted, the wheel of industrial relationship will revolve uninterruptedly. Labour management is a live affair connected with the sensitive and subtle souls whose inner complex working is beyond the ken of human eye. Briefly put, it means the development of ways and means as also of policies and methods of keeping employees contented, efficient and loyal.

The diverse problems of labour maintenance may be counted. They would go to show the complexity of an industrial organization. One set of these problems appear in excessive turnover and mobility of personnel and in the abnormal absenteeism, tardiness and lack of interest in the jobs or in the corporation. The second set arises in connection with transfers, promotions, dismissals, wages and financial incentives. The third set is in connection with inefficiency and unrest and are due to inadequate facilities for the training of employees. The

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‡ Watkins & Dodd, *The Management of Labour Relations*, p. 6.

fourth set concerns the existence of bad employment conditions which adversely affect the health of the workers or expose them to physical risks. Excessive hours of work, irregularity of employment and the absence of economic security also create undesirable conditions. The fifth set of problems arise over the demand of the working people for the establishment of collective bargaining or for joint control of the industry. The growth of political democracy and the attendant elevation of the status of the wage-earner have made him regard collective bargaining as an indispensable and even rightful condition of the very existence of the industry.

### Attitudes and Approaches

A solution of these difficult problems necessarily depends upon the basic attitudes with which the parties approach the problems. If employers or employees or both approach the difficulty with indifference, antagonism and with prepossessed minds, the settlement is impossible. It does not matter at all even if they are motivated by economic self-interest. All legitimate interests must necessarily have a place in any settlement. The dispute comes only when they encroach upon each other's bounds. They must approach the questions with a scientific mind, that is, with an objective mind. The atmosphere should be cleared of all emotionalism, bookish theories or airy ideologies; and the problems in hand should be thought over in terms of cause and effect. There should be a rational analysis of the conditions and forces which produce friction, distrust, suspicion, enmity and conflict between the parties, and then, there should also be a determination to apply what appears to be the most promising and appropriate remedy.

Frequently, the employers are so pathetically antiquated in their thinking that they fail to understand how working-men can dare demand anything of them—their masters—as a matter of right when everything they are supposed to need for their existence is so kindly provided to them! This smugness is the result of traditional individualism and obscurantism which is the product of the laissez-faire philosophy. Such employers have a pathetic belief in their inalienable privileges and prerogatives and in their right to subjugate the employees. They fear democratizing tendencies and movements of the modern times

and stoutly oppose the projection of trade unionism into industrial relations. They even go to the extent of checkmating governmental efforts for the settlement of disputes. The workers and their leaders also not infrequently assume an unhelpful attitude. They harangue on the doctrines of exploiting capitalism, class-struggle and revolution. This emotional and utterly unbalanced approach render them unfit to take an objective and rational view of the disputes and of the possible adjustments.

It would seem a little funny, though none the less true, that both the employers and the employees, by their long association, assimilate, even though unconsciously and may be even unwillingly, the drab monotony of the machines. They gradually shed their capacity to adjust themselves to varying circumstances. They fail to understand why there should not be a cure-all nostrum for all the ills of the industry. Labour problem is "a composite of constantly varying grievances each as different from its predecessor, as it is likely to be from its successor."§ Both must know that "until the spirit of partnership becomes the spirit of industrial relations, conflict as to the diversion of the existing product of the industry obscures the need for co-operation towards greater productivity."\*

### Fundamental Postulates

Before we proceed to treat the industrial relations in all its ramifications, it is necessary for us to assume certain fundamental postulates on which we can base our treatment. They are so obvious and indisputable that they can be treated almost as industrial axioms.

#### (A) REJECTION OF THE COMMODITY CONCEPT OF LABOUR

The term 'labour' is only a convenient word referring to a multiplicity of human beings who possess minds, personalities, self-respect, a desire of improvement, who hold membership in a civilized community, and have numerous other attributes which preclude their identification with inanimate, material commodities.† The management of industry, therefore, is essentially a management of persons in relation to materials,

§ Watkins & Dodd, *The Management of Labour Relations*, p. 11.

\* Kirkaldy, H. S., *The Spirit of Industrial Relations*, p. 6.

† *Ibid.*, p. 13. Also Cf. Cole, G. D. H., *The Meaning of Marxism*, p. 228.

machinery, equipment, processes, jobs and the whole enterprise. The management of human relations, therefore, is more difficult than that of mechanical factors. "Labour is not a commodity," declares the Philadelphia Charter.<sup>‡</sup> Labour is not a passive object but is an active and live soul, which continuously acts and reacts in order to satisfy its natural desire for new comforts, new pleasures and improved standards of living which education and acquisitive industry bring to its attention. The working-men are as capable of resentment and resistance as of love and co-operation. The human equation, therefore, involves the relation of the workers to their work, to their immediate supervisors, to their company, to their community, and in turn, the relation of all these factors to the workers themselves. In a democratic community, labourers are endowed with a large number of rights, privileges and opportunities which they expect the employers to recognize and respect.

#### (B) RECOGNITION OF PROFIT MOTIVE

Ours is basically an acquisitive society. The chief motive force of our economic activity, initiative, enterprise, ingenuity and ambition is the acquisition of money, call it profit or wage, as the case may be. Thus wealth becomes the *raison d'être* of the economic activity which must be recognized.

In these days of ideological confusion, it is sometimes contended that a majority of labour disputes arises owing to the reluctance of the employers to increase the wages of the employees. This argument leads to the hasty conclusion that the only way to eliminate a great part of labour disputes is to abolish the profit motive. The abolition of profit motive is undoubtedly the ideal condition. But looking to the normal human nature, allowance must be made, and profit motive should be restricted in subordination to the service motive. Of course, in the industrial relations as they are envisaged in this thesis, profit motive has been assumed as operative.

#### (C) NECESSITY OF CO-ORDINATION BETWEEN MECHANICAL AND HUMAN FACTORS

It is not always realized that the basic function of an industry is to produce and supply commodities to the community.

<sup>‡</sup> Quoted in *Labour and Factory Legislation in India*, by Trivedi, H. M., p. xxxvi.



upon both of which its welfare and advance depend. The sustained flow of goods in required quantity is possible only in conditions where working population is in a position to work happily, normally and successfully. In the absence of balance between the demand and supply, industry suffers dislocation which disturbs the even channel of industrial relations. The co-ordination; therefore, between these two main factors is a necessity for the smooth working of the industry.

#### (D) POSSIBILITY OF SCIENTIFIC MANAGEMENT OF INDUSTRIAL RELATIONS

The science of personnel management is at pains to teach both the industrialist and the workers that their interests, when they are viewed broadly and socially, are not only not conflicting but are identical. The employer has not always realized that an intelligent and humanized administration of employment relations is an indispensable factor of any economical and efficient enterprise.

But the synthesis of these two seemingly contradicting interests is possible only when rational principles and methods of procedure are adopted in the management of human relations. It is only with "the perfection of the sciences of philosophy, psychology and economics that the elements of a science of personnel management can be constructed."§ Scientific management of industrial relations can have meaning and significance only in so far as it adheres to the hypothesis that the substitution of industrial co-operation for industrial conflict will yield greater net returns for both capital and labour.

#### Desires of Parties to Industry

The analysis of the problem of industrial relations would indeed be incomplete without taking into consideration the normal desires or expectations of the four parties to the industry which are the employers, the employees, the community and the government.

The employers desire the greatest possible output at the least possible cost as also the recognition of and respect for their traditional rights and powers in the organization and management of their industries. They want freedom to develop new ideas, new processes and new equipment without interference

§ Watkins & Dodd, *The Management of Labour Relations*, p. 15.

from either labour unions or governments. They desire sustained growth of their industries and profits and unreserved co-operation of employees. This may seem to be a statement of expectations of conservative employers. It may be so. But it is clear and unambiguous and it is necessary for a true consideration of industrial relations.

The average worker desires above all economic security which includes freedom from fear of unemployment. He wants a steady job at good wages which would assure him reasonable provision in times of illness, old age and accident and would be a measure of economic protection for his family after his death. Closely related to this matter of economic security is his desire for physical security, protection against physical injury, occupational diseases and accidental death. He wants a congenial and happy atmosphere for his work. He also wishes to have an opportunity to impose himself upon his job, to develop something of his creative ability, and to have something to say about and enjoy the work. Lastly, he wants to have some sort of representation in the council of industry, for which he wants to have the right to select his own representatives for joint conferences with the management, concerning vital matters as wages, hours and conditions of employment and dismissals.

The community wants commodities of good quality at the lowest possible price and with peace in industry. It hardly ever bothers itself with the equities or inequities of particular cases, even though it disapproves of dire injustice done to the labouring party. The government wants the two industrial parties to work harmoniously together for greater production without jeopardizing each other's interests, and the interests of the consumers. Greater production would bring in greater profits for the first two parties, greater revenue to the government, and cheaper prices to the consumers. Thus industry is a quadripartite affair and all the four parties stand to gain if the industry would work smoothly and peacefully.

### **Non-violence, Basis of Industrial Relations**

Mahatma Gandhi experimented on non-violence and discovered its implications in various departments of life. "I plead for non-violence and yet more non-violence," he had declared once, and added, "I do so not without knowledge but with sixty

years' experience behind me."\* Industrial organization is one such department, in which, he pleaded, the operation of non-violence would bring about results beneficial to all the parties concerned. An attempt has been made in the following pages to develop the concept of industrial relations on the basis of Mahatma Gandhi's non-violence.

## CHAPTER II

### FUNDAMENTAL CONCEPTS

Since God pervades every fibre of my being and of all of you, I derive from it the doctrine of equality of all creatures on earth and it should satisfy the cravings of all philosophical Communists.†

—Mahatma Gandhi

#### Basis of Truth and Non-violence

Gandhiji's philosophy is composed of two distinct elements, the religious substratum and the social action.‡ The religious substratum or basis was truth and non-violence. He tried to project these two ideals in all his activities, irrespective of the nature of the fields in which he worked. In other words, whether he worked for the emancipation of the country, or for the uplift of the women or the Harijans or the labourers or for the resuscitation of the villages, he evolved his specific programme of work from these two basic ideals. His speculations on God, truth and humanity knew no barriers in terms of time or space. He once declared, "I very much like this doctrine of the many-ness of reality (अनेकान्तवाद). . . . I want to take the whole world in the embrace of my love."§

This utter absence of any conceptual barrier or limitation in Gandhiji's thinking has been reflected in his political, religious, social, industrial or economic ideas and activities. Thus there was a happy common link running in all that he thought, said and did. This is the reason why his spiritual or non-violent

\* *Harijan*, 24-2-'46.

† *Harijan*, 30-1-'37.

‡ "The religious substratum is vast and firm and the social action... he (Gandhiji) constructs on these universal bases by adapting the same to the actual circumstances and to the opinions of the country."—Rolland, *Mahatma Gandhi*, p. 17.

§ *Young India*, 21-1-'26.

democracy in politics, equitableness in economics, "manyness of reality" in religion, equality in social ethics, and peace and trusteeship in industrial relations have the same ring of spirituality. There is an inter-connection between our metaphysical beliefs and political, economic, social, and other beliefs.\* There is a common fount located in the spirit of man from which emerge all his ideas and actions. This is the reason why Gandhiji's life could become the varied expression of the different facets of the ideals of truth and non-violence.

### Gandhiji's Leadership

Gandhiji was not only a political leader of India, but was also its social and religious leader. The main motif, however, of his various activities was purely religious. He once accompanied a political deputation which waited on the late Mr. Montagu in 1916. "How have you, a social reformer," the latter exclaimed, "found your way into this crowd?" Gandhiji's reply was characteristic. He said that it was only an extension of his social activity and that he could not be leading a religious life unless he had identified himself with the whole of mankind which he could not do unless he took part in politics.† He took to politics because he saw that politics "encircled India like the coil of a snake from which one could not get out, no matter how much one tried."‡ When he saw that to a certain extent even his social work would be impossible without the help of political work, he took to the latter.§ He was "impatient himself to attain Moksha in that very existence. His patriotism was for him a stage in his journey to the land of eternal freedom. For him, there was no politics devoid of religion."¶ This conceptual unity of outlook on life is the kernel of Gandhiji's thought.

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\* Cf. "It is in the light of our belief about the ultimate nature of reality that we formulate our conceptions of right and wrong; and it is in the light of our conception of right and wrong that we frame our conduct, not only in the relations of private life, but also in the sphere of politics and economics. So, far from being irrelevant, our metaphysical beliefs are the finally determining factors in all our actions."—Huxley, Aldous, *Ends and Means*, p. 10.

† *Harijan*, 24-12-'38.

‡ *Young India*, 12-5-'20.

§ *Young India*, 6-8-'31.

¶ *Young India*, 3-4-'24.

## Vaishnavite Tradition

But his religiousness was typical and was the outcome of his rich Vaishnavite tradition. His mother was deeply religious and would take the "hardest vows and keep them without flinching".† The outstanding impression that she had left on Gandhiji's memory was that of saintliness. The reading of the Tulasidas's Ramayana before his ailing father had left an abiding influence upon his mind. The seed of repeating Ramayana sown by his nurse Rambha during his childhood developed later on into an infallible spiritual remedy for Gandhiji. As he grew up, he studied Vedas, Upanishads, Ramayana and Mahabharata, mostly in translations. He read profusely also about other religions as well as the devotional literature of Indian and western saints. In both his Ashrams of Sabarmati and Sevagram and later wherever he went and stayed, the recitation of Geeta and of the devotional songs was a regular feature of the morning and evening prayers. Thus the seedling of a rich religious tradition inherited by Gandhiji developed later on into a mighty banian tree,‡ which offered not only to the people of India but also to those of the world at large, rich fruits bestowing spiritual health and peace.

The Indian Trinity comprises of three Gods: Brahma, the God of Creation; Vishnu, of Preservation; and Shiva, of Destruction. The Vishnu is regarded as the Sustainer of the world. Himself wedded to the goddess of wealth and endowed with numerous weapons to defend his charge against any possible adversary, Vishnu, in Indian mythology has been depicted as an unfailing friend of the poor and the forlorn. The Indian history presents a long line of Vaishnava saints i.e. devotees of Vishnu, who have always propounded complete submission to God and equality of all religions, classes and creeds. Faith in the Divine incarnation and guidance, faith in the worship of idols and symbols, and faith in the infallibility of Tapashcharya i.e. voluntary suffering and self-purification was the quintessence of their message. Nurtured on this rich variegated Vaishnavite culture of India, it was no wonder that Gandhiji was able to declare:

† Gandhi, M. K., *An Autobiography*, p. 13.

‡ "Which (mustard seed) indeed is the least of all seeds, but when it is grown, it is the greatest among the herbs and becometh a tree so that the birds of the air come and lodge in the branches thereof."—Matthew, 13-32.

"I claim to be full to overflowing with the spirit of India, undefiled."§ "God has blessed me with the mission to place non-violence before the nation for adoption."\* "I am not a visionary. I claim to be a practical idealist. The religion of non-violence is not meant merely for the Rishis and saints. It is meant for the common people as well."† Thus Gandhiji had imbibed a rich and dynamic religious tradition coupled with a shrewd political sense which he inherited from his father. This made him a successful politician as also a social, and religious leader of India.

We shall now examine only those of his religious beliefs which concern specially his advocacy of the cause of the have-nots including labour.

### Religion of Social Service

According to Gandhiji, "there is no religion higher than truth and righteousness."‡ It was not the Hindu religion he meant which he certainly prized above all other religions but the Religion which transcended Hinduism. "It is the permanent element in human nature which counts no cost too great in order to find full expression and which leaves the soul utterly restless until it has found itself, known its Maker and appreciated the true correspondence between the Maker and itself."§

True religion and true morality "are inseparably bound up with each other".\* Gandhiji favoured rejection of any religious doctrine which did not appeal to reason and was in conflict with morality.† His exposition of morality is worthy of note. According to him, "our desires and motives may be divided into two classes: selfish and unselfish. All selfish desires are immoral, while the desire to improve ourselves for the sake of doing good to others is truly moral." The highest moral law is that "we should unremittingly work for the good of mankind". Thus religion, according to him, is predominantly a religion of

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§ *Young India*, 15-9-'27.

\* *Harijan*, 30-9-'39.

† *Young India*, 11-8-'20.

‡ Gandhi, M. K., *Ethical Religion*, p. 49.

§ *Young India*, 12-5-'20.

\* Gandhi, M. K., *Ethical Religion*, p. 49.

† *Young India*, 21-7-'20.

social service.‡ Gandhiji's emphasis on social service as the most important expression of a religious life, represents a development of Hinduism. He should be regarded as one of those great prophets who freed Hinduism from the fossilization which it had developed and he gave it a reorientation in terms of modern needs. "A true Vaishnava" a line of Gandhiji's favourite song so runs, "is he who sympathizes with the suffering of the unfortunate, and works to alleviate it." "My countrymen" he once wrote, "are my nearest neighbours. They have become so helpless, so resourceless, so inert that I must concentrate myself on serving them. If I could persuade myself that I should find God in a Himalayan cave, I should proceed there immediately. But I know that I cannot find Him apart from humanity."§

The generality of people seem to believe that religion concerns itself mainly with otherworldliness and that it does not bother about the present world. Gandhiji emphatically repudiated such belief by saying, "Religion which takes no account of practical affairs and does not help to solve them, is no religion."\* If any action of his, he had said in another place, which was claimed to be spiritual, was proved to be impractical, it must be pronounced to be a failure.† Religion is meant to bring heaven upon earth, and should not be limited to "cave-dwellers and for acquiring merit for a favoured position in the other world. All virtue ceases to have use if it serves no purpose in every walk of life."‡

### Equality of Religions

History records that when prophets are let loose on our planet, as Emerson had said, mighty movements have occurred. The emergence of Buddha, Jesus Christ, Mohammad or

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‡ गुह्यं ब्रह्म तदिदं वो ब्रवीमि ।

न मानुषात् श्रेष्ठतरं हि किञ्चित् ॥ -- महाभारत.

(I tell you that great secret: There is no religion higher than Humanity.)  
—Mahabharata.

§ *Harijan*, 29-8-'36.

\* *Young India*, 7-5-'25.

† *Harijan*, 1-7-'39.

‡ *Harijan*, 26-7-'42.

Shankaracharya was a signal of great revolutions. Are we ourselves not witnesses of the great trials and tribulations which our motherland passed through under the leadership of Gandhiji? It is seen, however, that after a certain time, the enthusiasm of the people languishes, the spirit is forgotten and the letter is emphasized.

Gandhiji had a radical solution for this impasse. "Religions are different roads converging to the same point," he stated in *Hind Swaraj* and asked, "What does it matter that we take different roads so long as we reach the same goal? In reality, there are as many religions as there are individuals."§ "We are imperfect ourselves and the religion as conceived by us must also be imperfect."\* The religion of our conception, therefore, "should always be subject to a process of evolution and reinterpretation".† This is the only way in which progress towards Truth is assured. We must be quite alive to the defects of our own faith which we must try to remove. "Looking at all religions with an equal eye, we would not only not hesitate, but would think it our duty to blend into our faith every acceptable feature of other faiths."‡ Thus Gandhiji's conception of religion is predominantly dynamic. "My aim," he once declared, "is not to be consistent with my previous statements on a given question, but to be consistent with truth as it may present itself to me at a given moment. The result has been that I have grown from truth to truth."§

### Faith and Prayer

The realization of such a growing religion is possible only through faith and prayer. "Fullest life is impossible without an immovable belief in a Living Law in obedience to which the whole universe moves."\* "Faith cannot be developed except through prayer."† In other words, "it can only grow from within. Nothing great in this world was ever accomplished

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§ pp. 24-23.

\* Gandhi, M. K., *From Yeravda Mandir*, p. 55.

† *Ibid.*, p. 55.

‡ *Ibid.*

§ *Harijan*, 30-9-39.

\* *Harijan*, 25-4-'36.

† *Harijan*, 28-1-'39.



without a living faith.”† In great causes, it is not the number, but the quality of fighters which counts. All great prophets “had a living faith in themselves and their God, and believing as they did that God was on their side, they never felt lonely.”§ God is the help of the helpless and uplifter of the downtrodden. But “He tries you through and through. And when you find that your faith is failing, or your body is failing you, and you are sinking, He comes to your assistance.”\* Gandhiji equated his own faith in God with creative experience, and added that, “it might perhaps be more correct to say that he had no word for characterizing his belief in God.”† Faith is dynamic and “has to be lived and then it becomes self-propagating”.‡ Faith is also creative and then is known as “creative experience”.§ He has described in detail in one of his conversations with Dr. Mott\* how in moments of greatest darkness he had been able to receive definite guidance from God.†

To him prayer “is the very soul and essence of religion”.‡ It is not “asking, but is longing of the soul. It is daily admission of one’s weakness”.§ To him, prayer is not an act of passivity. It is “a heart search. It is a reminder to ourselves that we are helpless without His support....Prayer is a call to humility, self-purification, and to inward search.”\*

## God

Gandhiji’s conception of God is not abstruse. To him, God is Truth and Love. He is ethics and morality and fearlessness.† “There is an indefinable Mysterious Power that pervades every-

† *Harijan*, 9-10-’37.

§ *Young India*, 10-10-’29.

\* Gandhi, M. K., *Speeches and Writings of Mahatma Gandhi*, p. 1069.

† *An Autobiography*, p. 34.

‡ *Young India*, 20-10-’27.

§ In Prashnopanishad, Faith is described as having emerged from soul. Faith is, therefore, creative.

स प्राणमसृजत, प्राणात् श्रद्धाम् ॥ -प्रश्नोपनिषद् । ६-४

(He created Soul, from Soul, Faith.) 6-4.

\* *Harijan*, 10-12-’38.

† *Ibid.*

‡ *Young India*, 23-1-’30.

§ *Ibid.*

\* *Harijan*, 8-6-’35.

† *Young India*, 5-3-’25.

thing," he once stated. "I feel it though I do not see it. It is this Unseen Power that makes itself felt and yet defies proof."‡ For many years, Gandhiji used to believe that God is Truth but as truth varied as persons advocating them varied, and yet all are parts of Truth, he came to the conclusion that Truth is God.§

Gandhiji himself did not believe in a personal God but stated that "He is a personal God to those who need His touch.... He is the greatest democrat the world knows. He is the greatest tyrant ever known. We are not, He alone is."\* This conception of God comes very near to the one held by the majority of the masses. Gandhiji did not himself believe in worship of the Divine through idols and symbols. But he did not ridicule it for that reason. He instinctively knew the mass mind. He thought that "idol worship was part of human nature",† because humanity hankers after symbols and idols. He saw "nothing wrong in the conception of incarnation". Because "it takes nothing from the God's greatness and there is no violence done to Truth."‡

### Service of Humanity

Man's ultimate aim is the realization of God who is embodied in the creation. Therefore, the "service of God becomes the service of humanity."§ In other words, the "immediate service of all human beings becomes the necessary part of the endeavour."\* Man is a part and parcel of the whole and he cannot find God apart from the rest of humanity. Gandhiji was so emphatic on the service of the community as a necessary part of his worship of God that he once declared that "man became great exactly in the degree in which he worked for the welfare of his fellowmen."† He wrote in another place: "I recognize no God except the God that is to be found in the hearts of the dumb millions... and I worship the God that is Truth, or Truth which is God through the service of these millions."‡

‡ *Young India*, 11-10-'28.

§ *Young India*, 31-12-'31.

\* *Young India*, 5-3-'25.

† *Young India*, 6-10-'21.

‡ *Young India*, 6-8-'31.

§ *Harijan*, 29-8-'36.

\* *Ibid.*

† Gandhi, M. K., *Ethical Religion*, p. 56.

‡ *Harijan*, 11-3-'39.

But a life of service should be coupled with the spirit of humility. "A life of service must be one of humility, and true humility means most strenuous and constant endeavour entirely directed towards the service of humanity."§ By merging into the ocean of humanity, we share its dignity.\* By becoming one with the ocean in the shape of God, one is continuously in action without any rest even for a moment; we cease to need any rest. Indeed, "this restlessness constitutes true rest."†

The antithesis of humility is egotism. When we imagine ourselves to be superior beings, we become egoistic. "A man who is proud of his virtues often becomes a curse to society."‡ He should, therefore, "shatter the chains of egotism and should melt into ocean of humanity. Then alone, he would be able to share its dignity."‡

Humility has a great psychological value. It makes man receptive and progressive, and is therefore a valuable asset to the society. Such a man alone is able to "identify himself with every member of society without exception". Such identification brings about cohesion or attraction in a community as against disintegration or repulsion. Popularly speaking, it is called love which binds us to one another and to God.

### Unity of Life

Gandhiji believed in the absolute oneness of God and therefore also of humanity. Even if, "we have many bodies, we have but one soul. The rays of the sun are many through refraction but they have the same source."§ He was a "believer in Advaita", and therefore "subscribed to the philosophy that all life in its essence was one and that the human beings were working consciously or unconsciously towards the realization of that identity."\*

The belief "in the essential unity of man and for that matter, of all that lives" led Gandhiji to its logical conclusions.

§ Gandhi, M. K., *From Yeravda Mandir*, p. 68.

\* Cf. "The moral law is the discovery that man becomes all the truer, the more he realizes himself in others."—Tagore, Rabindranath, *Nationalism*, p. 78.

† Gandhi, M. K., *From Yeravda Mandir*, p. 68.

‡ *Ibid.*, p. 46.

§ *Young India*, 25-9-'24.

\* Gandhi, M. K., *Correspondence with the Government*, 1942-'44, p. 88.

He believed that "if one man gained spiritually, the whole world gained with him, and if one man fell, the whole world fell to that extent."† He had, in his *Ethical Religion* put the above thought in a different way. "There is not a single virtue," he wrote, "which aims at or is content with the welfare of the individual alone. Conversely, there is not a single moral offence which does not directly or indirectly affect others besides the actual offender."‡ He concluded from this that "whether an individual was good or bad, was not merely his own concern, but really the concern of the whole community, nay, of the whole world."§ The spiritual unity expresses itself through and affects the economic, the social and the political fields",§ in which man chooses to work. Therefore, "human mind or human society is not divided into watertight compartments called social, political and religious. All act and react upon one another."\*

### The Problem of Evil

According to Gandhiji, evil has not any independent existence. "It exists and flourishes through the implication of the good that is in it. It in itself is sterile and self-destructive."† He quotes the instance of Zeus, the Principle of Evil depicted in Shelley's *Prometheus Unbound* as having been dethroned, not by any form of force, but by its own weight.‡ "Satan is the embodiment of Evil as Ravan was against God or Rama."§ There is always an antagonism between God and Satan and in all the religions, the prayers are offered "to God to save the devotees from the clutches of the accursed Satan, and to lead them on the path trodden by those who were blessed with His grace."\*

When we deal with the evil, it is necessary for us to remember that evil and evil-doer are different. In his letter to every Englishman in India, Gandhiji wrote, "I am trying to show

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† *Young India*, 4-12-'24.

‡ p. 55.

§ *Young India*, 3-9-'25.

~ *Young India*, 2-3-'22.

† *Young India*, 23-2-'21.

‡ *Ibid.*

§ *Harijan*, 14-11-'47.

\* *Harijan*, 11-12-'47.

them (Indians) that one may detest the wickedness of a brother without hating him."† Therefore, "while we may attack measures and systems, we may not, must not, attack men."‡

The only way of curing the evil-doer is to non-co-operate with the evil in him. "The technique of non-violent action consists in isolating and sterilizing the instruments of evil."§ "Non-violence laughs at the might of the tyrant and stultifies him by non-retaliation and non-retiral."\* Gandhiji does not subscribe to the belief that the oppressor or the wrong-doer is beyond reform. "A Satyagrahi seeks to convert his opponent by sheer force of character and suffering. The purer he is, and the more he suffers the quicker the progress."†

### Regeneration of the Individual

Gandhiji did not concern himself with any philosophical analysis of evil. His whole life was a continuous struggle with evil in the political, social and religious fields. "I shall never know God," he once wrote in his journal, "if I do not wrestle with and against evil even at the cost of life itself."‡ He developed a new moral technique for it on the basis of truth and non-violence which he named Satyagraha. And as he touched all the phases of life, the operation of Satyagraha also extended widely. The technique was meant for the removal of the wrong by bringing about a change of heart of the wrong-doer. He always insisted upon this change of heart or the regeneration of the individual as a requisite of social regeneration. Thus morality was an important part of his philosophy. "Religion is to morality what water is to the seed, that is sown in the soil."§ An individual can enrich both himself and society, if he "willingly submits to social restraint for the sake of the well-being of the whole society."\* An individual can become a very vital factor in the regeneration of society if he sincerely submits

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† *Young India*, 13-7-'21.

‡ *Young India*, 25-5-'21.

§ *Harijan*, 17-2-'43.

\* *Young India*, 20-10-'21.

† *Young India*, 18-9-'24.

‡ *Young India*, III, p. 872.

§ Gandhi, M. K., *Ethical Religion*, p. 49.

\* *Harijan*, 27-5-'39.

himself to social restraints i.e. to morality. Only such an individual, according to Gandhiji, would be able to evolve a peace technique which would enable him to solve the problems of life non-violently.

### CHAPTER III

## SARVODAYA IS THE OBJECTIVE

दूर्ध्वबाहुर्विराम्येपः ।

न च कश्चित् शृणोति माम् ॥

धर्मदिर्यश्च कामश्च ।

स धर्मः किं न सेव्यते ? † ॥

— महाभारत

### The Objective of the Peace Technique

The objective of the peace technique is the Sarvodaya i.e. the good of all concerned. As all life, both individual and social, in its essence is one and undivided, the legitimate ends of its component parts should never be conflicting with each other. It is due to our incomplete conception of the fundamental unity of life that we have come to regard some interests as being in opposition to others. In an industrial organization, for instance, the legitimate interests of the employers are never at variance with the legitimate interests of the employees. The fact that they appear to be so is due to an abnormal avarice and to a misconception of proprietorship on the former's part or to an incomplete understanding of the social organism and to an inordinate haste for a smashing remedy on the part of the latter. Gandhiji had said, "I do not think there need be any clash between capital and labour. Each is dependent on the other."‡

### Its Genesis

It would be interesting here to study the genesis in Gandhiji's life, of this integrated but revolutionary conception

† With hands upraised I cry;

But none listens to me;

Dharma yields both wealth and desire;

Why is that Dharma not observed?

*Harijan*, 13-7-40.

‡ *Young India*, 4-8-27.

of the fundamental unity of life. He was then in South Africa as a recognized and respected leader of the Indian community. He had many European contacts and through them, he had tried to understand the Europeans' views on the racial question. He himself was a victim to innumerable humiliations on account of racial prejudices. He was an eye-witness to a tragic spectacle of his own community which was industrious, honest, resourceful and law-abiding, being reduced to utter slavery under the heels of an arrogant, imperialist power. Was the prosperity of Africa not due to the labour of the Indian emigrants? How pathetic it was, therefore, that all sorts of humiliations and insults were being heaped upon them and that they were driven to settle only in filthy ghettos, and were dubbed as coolies!

Gandhiji had "shared to the full in the sweets and bitters of human experience" in South Africa "where he had realized his vocation in life".§ The supreme question that gnawed at his heart was then a search of a way which would enable the Indian community to assert their civic rights without in any way jeopardizing the Europeans' legitimate interests. This meant, in essence, the synthesis of the two seemingly conflicting interests. Was it at all a possibility?

It was during this psychological crisis that Gandhiji came across Ruskin's *Unto This Last*. While writing about it in his *Autobiography*, he said, "I determined to change my life in accordance with the ideals of the book... I translated it later into Gujarati, entitling it *Sarvodaya* (welfare of all)."\*

The teachings of the book as he understood them to be were:

1. That the good of the individual is contained in the good of all.
2. That a lawyer's work has the same value as the barber's, inasmuch as all have the same right of earning their livelihood from their work.
3. That a life of labour i.e. the life of the tiller of the soil and the handicraftsman is the life worth living.†

Gandhiji soon established the Phoenix Settlement and later the Tolstoy Farm, where he carried out extensive experiments

§ Gandhi, M. K., *Satyagraha in South Africa*, p. 338.

\* pp. 364-65.

† *Ibid.*, p. 365.

on himself, on the inmates of the two Settlements as also on the Indian community at large in terms of the new thought of Sarvodaya. His insistence was that there was no inherent conflict between the legitimate interests of the Europeans and the Indian settlers in South Africa, and that both were on par, so far as the civic rights were concerned. But if this claim was not accepted, a struggle was inevitable. But even the struggle would be a natural consummation of the Sarvodaya concept which excludes violence in any form. This is the evolution of the Sarvodaya in its militant form, known as Satyagraha. Thus Gandhiji took the main idea from Ruskin, the method of non-violence from Tolstoy and the whole Sadhana for its actual realization in life both of the individual and the community, from Raychandbhai. "Three moderns," Gandhiji narrates in his autobiography, "have left a deep impress on my life and captivated me: Raychandbhai by his living contact; Tolstoy by his book *The Kingdom of God is within You*; and Ruskin by his *Unto This Last*."<sup>‡</sup> He writes at another place, "Great Britain gave me Ruskin, whose *Unto This Last* transformed me overnight from a lawyer and city-dweller into a rustic living away from Durban on a farm...; and Russia gave me in Tolstoy a teacher who furnished a reasoned basis for my non-violence."<sup>§</sup> In a chapter of his autobiography devoted to the delineation of Raychandbhai, he writes: "I have tried to meet the heads of various faiths, and I must say that no one else has ever made on me the impression that Raychandbhai did. His words went straight home to me."<sup>\*</sup> The special contribution of Gandhiji to the evolution of Sarvodaya is this that he has elaborately developed the content of this seminal conception. He called it Ramarajya. He developed the method of its realization and retention both in its passive and militant forms, which are now broadly known as Constructive Programme and Satyagraha respectively.

### Even "Unto This Last"

Western social thinkers have built up a theory of the greatest good of the greatest number as a criterion of good action. Bentham defines "utility" as "that property in any

<sup>‡</sup> *An Autobiography*, p. 114.

<sup>§</sup> *Harijan*, 9-8-'42.

<sup>\*</sup> Gandhi, M. K., *An Autobiography*, p. 113.



object, whereby it tends to produce... good" and "the principle of utility is the greatest happiness of the greatest number principle."† According to Aldous Huxley, good is that "which ends in the greatest possible unification."‡ According to the view of Gandhiji:

A votary of Ahimsa cannot subscribe to the utilitarian formula (of the greatest good of the greatest number). He will strive for the greatest good of all§ and die in the attempt to realize the ideal. The greatest good of all inevitably includes the good of the greatest number and therefore, he and the utilitarian will converge in many points in their career; but there does come a time when they must part company and even work in opposite directions. The utilitarian to be logical will never sacrifice himself. The absolutist will ever sacrifice himself.\*

Thus to Gandhiji, the good of one is contained not in the greatest good of the greatest number but in the greatest good of all. There ought not to be, as there is really not, an antagonism between the "one" and the "all".

This consideration must necessarily be extended even 'unto this last', meaning, to the lowest stratum of society comprising the suppressed and the oppressed dumb millions. Gandhiji has said, "My Socialism means even 'unto this last'. I do not want to rise on the ashes of the blind, the deaf, and the dumb."† While defining Swaraj, he explained that it "was full economic freedom for the toiling millions and not unholy alliance with any interests for their exploitation."‡ "The Indian National Congress," he said before the Round Table Conference in London, in 1931, "belongs to all; but the protection of the poor peasantry... must be its primary interest; but that does not mean that all other classes—the middle classes, the capitalists or zamindars—must go under. All that it aims at is that all other classes must subscribe to the interests of the poor."§ He had evolved the peace technique with a view to synthesize these outwardly conflicting interests. He had always asserted that

† Davidson. W. L. *Political Thought in England*, p. 48.

‡ *Ends and Means*, p. 320.

§ यद् भूतहितमत्यन्तं तत् सत्यमिति धारणा । — महाभारत.

(Remember that is truth, which is the greatest good of the beings.)

\* *Young India*, 9-12-'26.

† *Young India*, 16-4-'31.

‡ *Harijan*, 4-8-'46.

§ *Young India*, 16-4-'31.

the legitimate interests of all classes do have a place in the world and human ingenuity is in duty bound to find out a way whereby all could live in peace.\*

In another speech also before the Round Table Conference in London, Gandhiji made a pointed reference to the interests of the peasants, labourers and Harijans. "India would be engaged for years to come," he declared, "in passing legislation in order to raise the downtrodden, the fallen, from the mire into which they have been sunk by the capitalists, by the landlords (and) by the so-called higher classes. . . . The first act of the legislature will then be to see that in order somewhat to equalize conditions, these people (Harijans) are given grants freely."† To Gandhiji, "Hind Swaraj is the rule of all the people, is the rule of justice."‡

### Economic Equality

The second proposition, namely, that a lawyer's work has the same value as the barber's, can be said to be the corollary of the first one. The interests of the individual and the society are not mutually conflicting. Therefore, all should pursue their own occupations in life to the best of their ability and should have equal right of earning their livelihood from their work. All are expected to contribute to the social good according to their capacity, and to earn according to their necessity. No work or no man is either superior or inferior to any other because all works are equally necessary for the maintenance of society. Gandhiji wrote, "I believe implicitly that all men are born equal. . . . He who claims superiority at once forfeits his claim to be called a man."§

Is not this arrogation of superiority a bane in our political, economic and social life today?¶ An American considers himself

\* Cf. लोकयात्रार्थमेवेह धर्मप्रवचनं कृतम् । — महाभारत.

(The elucidation of Dharma has been done for the peaceful life of the world.)

† Gandhi, M. K., *The Nation's Voice*, p. 71.

‡ *Young India*, 16-4-'31.

§ *Young India*, 29-9-'27.

\* Cf. "Matthew Arnold observed that in England, inequality is almost a religion and remarked on the incompatibility of that attitude with the spirit of humanity and the sense of dignity of man as a man, which are the marks of a truly civilized society."—Tawney, R. H., *Equality*, p. 19.

superior to a Negro and refuses to recognize the latter's civic rights. An industrialist regards his labourers as his inferiors on whose exploitation he prefers to live from generation to generation. A pleader extorts exorbitant fees from his poor clients and moves about as a respectable gentleman in society. Gandhiji was very critical about these inequalities. While explaining economic equality, he declared that "he had no doubt that if India was to live an exemplary life of independence which would be the envy of the world, all the Bhangis, doctors, lawyers, teachers, merchants and others would get the same wages for an honest day's work."<sup>†</sup> Indian society may never reach the goal, but it is the duty of every Indian to set his sails towards that goal and no other if India is to be a happy land.<sup>‡</sup> Economic disparity forms a serious curse of modern economy and all the free nations are endeavouring to minimize the disparity.

### Bread Labour

Gandhiji's theory of bread labour is contained in the third proposition. It means that man must earn his bread by labouring with his own hands. It was first stressed by a Russian writer T. H. Bondaref and later on, was amplified by Tolstoy and Ruskin. According to Gandhiji, if the people would take to bread labour, there would never be any want of bread and cloth in the country. The ideal social order and economic equality would be accomplished if the implications of this law are fully understood and given effect to.

Since the beginning of the eighteenth century, the Britishers wanted to create in India market for English cotton goods. But there was one handicap. "The English fingers could not match the suppleness of the fingers of the Hindus or spin a sufficiently fine strong thread for the warp."<sup>‡</sup> The result was that the Indian calicoes, muslins, and the chintzes took the fancy of the elegant world and "the liberty of the ladies, their passion for their fashion" was blamed as destructive to the old silk and woollen manufactures of England. But the next century witnessed great mechanical inventions which revolutionized trade and made the problem of marketing the machine goods all

<sup>†</sup> *Harijan*, 16-3-47.

<sup>‡</sup> Hammond, J. L. and Hammond, Barbara, *The Skilled Labourer*, p. 48.

the more urgent. So far as England was concerned, it had already brought during the period the whole of India under the political subjection and had started to capture her markets.

That was a time when Indian villages were manufacturing cloth and other necessities of life mainly for use and were self-contained. Spinning, weaving, and other village industries served as subsidiary occupations to Indian farmers supplementing agriculture. Bread labour was then the most natural feature of our peasants' life. But with the entry of machine goods in the villages, the rural economy underwent a tragic change. The machine articles were comparatively cheaper than the indigenous products and the result was that the rural artists began to lose their occupations and the agriculturists, their supplementary industries. This led enterprising and intelligent section of the village population to the city to work as clerks and workers in the new factories.

This exodus had obviously unhealthy repercussions both upon villages and towns. Agriculture and village industries rapidly deteriorated and the intelligent young men who left the villages and were divorced from physical work, developed a positive distaste for physical labour and contempt for physical labourers like the peasants and the workers. Thus a wide gulf between the intelligentsia and those doing manual work was created. Gandhiji's solution for bridging this gulf and for creating unity in the community was bread labour. He argued:

More than nine-tenths of humanity lives by tilling the soil. How much happier, healthier, and more peaceful would the world become if the remaining tenth followed the example of the overwhelming majority at least to the extent of labouring enough for their food!§

In the West also, machine has proved a divisive force. The Industrial Revolution brought into being two definite and well-marked classes—capitalist and labour. The former is far removed from physical labour, while the latter is toiling the whole day for bread. This parasitic economic order is a source of permanent distemper in our present-day society. Bread labour, according to Gandhiji, would greatly help diminish this conflict. He wrote, "There is a worldwide conflict between capital and labour and the poor envy the invidious rich. If all work for their bread, the distinctions of rank would be obliterated."\*

§ Gandhi, M. K., *From Yeravda Mandir*, p. 50.

\* *Ibid.*

The divorce of our middle-class young people from physical labour has brought about an alarming deterioration in their physical and mental health. Gandhiji had always advised in his addresses to students to make physical labour a necessary part of their training. In his address to the students of Kangdi Gurukul, he said:

It must be a part of training of every youth that he has a fair practical knowledge of agriculture and hand-weaving. He would lose nothing if he knows the proper use of tools, can saw a piece of board straight and build a wall that will not come down through a faulty handling of the plumbers' line.†

But India being an agricultural country, Gandhiji wanted that the physical labour in our country "could truly be related to agriculture alone".‡ But if it is not possible for everyone, his suggestion was that "one could spin or weave or take up carpentry or smithery."§ In terms of social solidarity, bread labour would be found very useful. The life of labour, therefore, is the life worth living.

### Unity of Economic Interests

Sarvodaya means the welfare of all. This connotes that there is no inherent conflict between the legitimate evolution of one individual with that of the other or the nation. "Self-evolution is wholly consistent with a nation's evolution. A nation cannot advance without the units of which it is composed, advancing, and conversely, no individual can advance without the nation of which he is a part, also advancing."§ In the same way there is not any inherent antagonism between labour and capital. According to Gandhiji, "they need not regard each other as inherently irreconcilable antagonists."\* "For the past eighteen years, consciously or unconsciously, capital and labour have acted in Ahmedabad on the assumption that there is no inherent conflict between the two."† Nay, he went much further when he invited the Ahmedabad mill-owners to translate into practice the 'highest ideal' namely, that "the relation between mill-agents and mill-hands ought to be one of father and children

† Gandhi, M. K., *To the Students*, p. 9.

‡ Gandhi, M. K., *From Yeravda Mandir*, p. 50.

§ *Young India*, 26-3-'31.

\* *Harijan*, 3-7-'37.

† *Harijan*, 13-2-'37.

or as between blood-brothers.”‡ Thus the faith that there is no conflict between the legitimate interests of an individual and of society is the first prerequisite of Sarvodaya economics. This concept nullifies the possibility of exploitation. Gandhiji wanted to bring about an equalization of status. He had declared:

The working classes have all these centuries been isolated and relegated to a lower status. I want to allow no differentiation between the son of a weaver, of an agriculturist, and of a school-master.§

### Political Implications of Sarvodaya

On the political plane, Sarvodaya means “Ramarajya i.e. sovereignty of the people based on pure moral authority.”\* According to him, “it is a grave error brought about by inertia or hypnotism to think that power comes only through legislative assemblies.... The truth is that power resides in the people and it is entrusted for the time being to those whom they may choose as their representatives. Parliaments have no power of existence independently of the people.”† It should be remembered that Gandhiji was doubtful about the efficacy of the very institution of Parliament. “The natural condition of that (England’s) Parliament is such that without outside pressure, it can do nothing.... The Prime Minister is more concerned about his power than about the welfare of the Parliament. His energy is concentrated upon securing the success of his party.”‡ Therefore, Gandhiji was critical about the Party Government. It is a universal experience that Party Government in the ultimate analysis is conducive to only party welfare i.e. to partial welfare and not to the welfare of all. This is Vargodaya and not Sarvodaya.

Swaraj for Gandhiji means freedom for the meanest of our countrymen. While expounding Purna Swaraj, he said:

My notion of Purna Swaraj is not isolated independence but healthy and dignified inter-dependence. My nationalism, fierce though it is, is not exclusive, not designed to harm any nation or individual. Legal maxims are not so legal as they are moral. I believe in the eternal truth, *sic utere tuo ut alienum non loedas* (Use thy own property so as not to injure thy neighbour).§

‡ *Young India*, 10-5-28.

§ *Harijan*, 15-1-38.

\* *Harijan*, 2-1-37.

† Gandhi, M. K., *Constructive Programme*, p. 5.

‡ Gandhi, M. K., *Hind Swaraj*, p. 22.

§ *Young India*, 26-3-31.

There is no place for exploitation of one nation by the other in Sarvodaya. "Our nationalism," he had declared on another occasion, "can be no peril to other nation, inasmuch as we will exploit none, just as we will allow none to exploit us. Through Swaraj, we would serve the world."\* Indeed, Gandhiji developed this conception much further in terms of Yajna i.e. sacrifice. As "the individual being pure, sacrifices himself for the family, the latter for the village, the village for the district, the district for the province, the province for the nation, the nation for all", so he "would like to see India free and strong, so that she may offer herself as a willing and pure sacrifice for the betterment of the world."†

### Religious Implications of Sarvodaya

Gandhiji though an Advaitist (non-dualist) himself, could support Dvaitism (dualism). He had, therefore, "no objection to being called an Anekantvadi (a believer in many doctrines) or a Syadvadi (a believer in the assertion of probability in philosophy)."‡ He said, "My Sarvodaya is not the Sarvodaya of the learned. It is peculiarly my own."‡ His experience was that he was always true from his point of view and was often wrong from the point of view of his honest critics. He, therefore, concluded, "We are both right from our respective points of view."‡ He very much liked this doctrine of the "manyness of Reality". This had taught him to judge a Musalman from his own standpoint and a Christian from his. It was against the spirit of religion to claim superiority.§ The Hindu scriptures have said that God has a thousand names and Rahim may be regarded as one of them. The Kalma merely praised God and acknowledged Mohammed as His prophet. Gandhiji, therefore, had no hesitation in acknowledging Mohammed as Prophet in the same way as he acknowledged Buddha, Zoroaster, and

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\* *Young India*, 16-4-'31.

† *Young India*, 17-9-'25.

Cf. "Real altruism begins only when an individual freely sacrifices high rightful interest in favour of the wellbeing of another...and helping him in various ways."—Sorokin P. A., *The Reconstruction of Humanity*, pp. 58-59.

‡ *Young India*, 21-1-'26.

§ *Harijan*, 28-11-'36; 30-1-'37.

Jesus.\* In a speech delivered at Tanjore, he declared, "I believe in the rock-bottom doctrine of Advaita (non-dualism) and my interpretation of Advaita excludes totally any idea of superiority at any stage whatsoever."†

It is due to this belief that untouchability, according to Gandhiji, was a blot on Hinduism and an "excrescence upon Varnashram".‡ This doctrine of inequality and high-and-lowness has poisoned Hinduism and is slowly undermining its very existence.§ The removal of untouchability by the Hindus was, therefore, made one of the main planks of the constructive programme of the Indian National Congress since 1919 onwards. What a Herculean effort Gandhiji made throughout his life for equalizing Harijans with the rest of the caste Hindus! It was his firm conviction that if the Hindu heart was completely purged of the taint of untouchability, the event would have its inevitable influence, not only upon all communities of India but on the whole world.\* We find everywhere the strong classes oppressing and exploiting the weaker ones either for political, economic, religious or social benefits. The realization by the so-called weaker classes of their potential strength and the consequent elimination of the notion of inferiority would bring about the regeneration of humanity. "In battling against untouchability," he once declared in 1933, "and in dedicating myself to that battle, I have no less an ambition than to see a complete regeneration of humanity."†

To summarize, the objective of the Sarvodaya technique is to bring about the welfare of all concerned, e.g. the rich and the poor, the employers and the employees, the society and the individual, the Government and the people, etc. The postulates of the technique are:

1. There is no opposition between the just interests of the society and the individual.
2. That all occupations are of equal importance, i.e. no one occupation is superior to any other, and as such,

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\* *Harijan*, 27-4-'47.

† *Young India*, 29-9-'27.

‡ *Young India*, 20-10-'27.

§ *Harijan*, 8-7-'33.

\* *Harijan*, 17-11-'33.

† *Harijan*, 25-3-'33.



everybody is entitled to receive his livelihood from the society.

3. That the life of the agriculturist and the hand-worker is the best of all.

The operation of the economic, political, and religious implications of these postulates on a wider scale is necessary to bring into existence the peaceful social order.

## CHAPTER IV

### THE PURITY OF THE MEANS

I have...concerned myself principally with the conservation of the means and their progressive use. I know if we can take care of them, attainment of the goal is assured. I feel too that our progress towards the goal will be in exact proportion to the purity of our means.‡

—Mahatma Gandhi

#### **Purity of the Means**

The aim of the Gandhian technique is the realization of the Sarvodaya i.e. the good of all, and the strategy thereof is the gradual elimination of conflict from every department of man's life and the substitution of co-operation and co-ordination in its place. An expert physician locates at the outset in a patient's body the possible spots infected by a disease. He then administers such medicines which not only cure the infected parts but also vitalize the whole system simultaneously. In the peace technique also, the same process holds good. It seeks to use such means as would nullify and expel the elements of discord and simultaneously fosters elements of concord. These two processes are not different and the latter cannot be said to follow the former as a sequence. The whole process is simultaneous and organic. Dispelling darkness and bringing in light are not two different processes. If the light is let in, the darkness would disappear.

The Sarvodaya technique likewise involves the same process. It consists in isolating and sterilizing the instruments of evil which generate conflict and in emphasizing and vitalizing

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‡ *The Amrit Bazar Patrika*, 17-9-'33.

the elements of good. These two processes, namely, non-co-operation with the wrong, and co-operation with the right are carried on side by side. It is for this reason that the realization of the Sarvodaya is possible only when the means are good. While explaining the relation between the end and the means, Gandhiji wrote, "The means may be likened to a seed, the end to a tree, and there is just the same inviolable connection between the means and the end, as there is between the seed and the tree."§ We reap as we sow.\* Man is not likely to "obtain the result flowing from the worship of God by laying himself prostrate before Satan".§ Thus a good end can be realized only by good means.†

But "the Creator has given us control (though limited) over means, none over the end."‡ Gandhiji had, therefore, "concerned himself principally with the conservation of the means and their progressive use."§ He believed that "if we could take care of them, attainment of the goal was assured."§ Indeed, "means and end are convertible terms",\* in his philosophy.

What then are the means to the realization of the Sarvodaya?

It should be remembered that the treatment of the means would be restricted here to their reference to the industrial relations only and that a comprehensive discussion of the subject is beyond the scope of the present thesis. Within this limitation, the means can be said to be Truth, Non-violence, Self-purification and Satyagraha.

## Truth

According to Gandhiji, Truth is the sovereign principle and is "not only truthfulness in word, but truthfulness in thought

§ *Hind Swaraj*, Chapter XVI.

\* Cf. "Destructive means employed engender corresponding counter-means and so forth *ad infinitum*. As the Buddha put it: 'If hatred responds to hatred, when and where will hatred end?'" Keyserling, C. H., *Mahatma Gandhi*, Edited by Dr. S. Radhakrishnan, pp. 184-85.

† Cf. "Our personal experience and the study of history make it abundantly clear that the means whereby we try to achieve something are at least as important as the end we wish to attain. Indeed, they are seen more important."—Huxley A., *Ends and Means*, p. 52.

‡ *Young India*, 17-4-'24.

§ *Young India*, 17-7-'24.

\* *Young India*, 26-12-'24.

also and not only the relative truth of our conception but the Absolute Truth, the Eternal Principle i.e. God."† He argues further:

As the Absolute Truth is beyond the ken of an individual, he is concerned only with such relative truth as he is able to see and pursue from time to time in his life; but as the human mind works through innumerable media and that the evolution of the human mind is not the same for all, it follows that what may be truth for one may be untruth for another.‡

This fact makes honest striving after truth by individuals different in every case, and assumes possible collision between them. What then is the solution? The golden rule of conduct, therefore, is mutual toleration or non-violence.§ Gandhiji's insistence on Truth had taught him to appreciate the beauty of compromise.\* Thus Truth becomes the ideal and non-violence the means, or Truth is the highest law and non-violence is the highest duty.

### Basic Truth

Industrial conflicts generally emanate from different perceptions of the same truth. But whatever the differences, the first truth is the truth of social justice. This is the highest truth in the industrial world. This truth holds good not only in the case of workers alone, but even in the case of industrialists. The uniqueness of Gandhiji's leadership was that he was able to assert some basic truths in many fields of life which shocked the obscurantists of the day. His predecessors in politics had believed that the attainment of Swaraj was impossible without the use of some violent technique. They said that truth had no place in their vocabulary. Gandhiji propounded that the Swaraj Movement based on Truth and Non-violence was bound to succeed and was made to succeed under his leadership! Hatred of the enemy was regarded as a necessary part of war. Gandhiji's dictum was, "love the enemy as thyself!" In the industrial world reconciliation of the interests of capital and labour was regarded as impossible and a continuous tension seemed to exist between the

† Gandhi, M. K., *An Autobiography*, p. 6.

‡ *Young India*, 31-12-'31.

§ Cf. "The end of the commandment is charity out of a pure heart, and of a good conscience and of faith unfeigned." *Tumoty*, 1.5.

\* Gandhi, M. K., *An Autobiography*, p. 184.

two parties. Gandhiji proclaimed that the legitimate interests of both the parties are identical and consequently they must work together as co-partners.

### Relative Truths

In the industrial domain he had some relative truths or ideals which he wanted the industrial India to follow. They were as follows:

1. Truth and Ahimsa must incarnate in Socialism....Socialism will not be reached by means other than Satyagraha.†

2. Only truthful, non-violent and pure-hearted Socialists will be able to establish a socialistic society in India and the world.‡

3. It is vital to the wellbeing of the industry that workmen should be regarded as equal with the shareholders and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills.§

4. Capital and labour will be mutual trustees and both will be trustees of consumers.\*

These can be said to be relative truths with reference to industry. It is likely that the three parties concerned with the industry, namely, the industrialists, the consumers, and the workmen might differ more or less with regard to the validity of the above propositions, and not join hands together in the pursuit of those ideals. What would be the course of action under the circumstances? What should an organization or an individual believing in these relative truths do in terms of those propositions? The Gandhian technique suggests measures on non-violent basis.

### Non-violence

Gandhiji has defined it in its positive form as the "largest love, greatest charity which necessarily includes truth and fearlessness.† According to him, opponent can be won over only by love, and therefore, "non-violence is the most harmless and yet equally effective way of dealing with the political and economic wrongs of the downtrodden portion of humanity."‡ Gandhiji

† *Harijan*, 20-7-'47

‡ *Harijan*, 13-7-'47.

§ *Harijan*, 13-2-'37.

\* *Harijan*, 25-6-'38.

† *Speeches and Writings of Mahatma Gandhi*, p. 346.

‡ *Gandhiji's Correspondence with the Government, 1942-44*, p. 170.

claimed that non-violence alone is capable of bringing it about. Non-violence is "a rule of conduct for society if it is to live consistently with human dignity and make progress towards the attainment of peace for which it has been yearning for ages past."§ He placed non-violence before the indentured labourers in South Africa, and "it helped them to pull through."§ After quoting some Champaran Satyagraha experiences, in one of his talks to the students, he said that the first test of non-violence breathed new life into the peasants of Champaran, and at the end of a remarkably brief struggle, they were emancipated.\* "By means of non-violence," he wrote in another place, "the poor would become strong and would learn how to free themselves by means of non-violence from the crushing inequalities which have brought them to the verge of starvation."† Stressing the need of non-violence for labour, he said, "Ahmedabad Labour Union is a model for all India to copy. Its basis is non-violence pure and simple."‡ "Individual freedom can have the fullest play only under a regime of unadulterated Ahimsa" which "alone can lead one to pure democracy."§

What are the contents of non-violence with reference to industry? In order to make it a potent force, we must start with the mind. There should be perfect tolerance and understanding on the part of both, the employers and the employees. This would be possible only when both would avoid mental inertia and would be free from ideas of false prestige. "Inward obstacles in the shape of fraud, hatred, and ill-will would be fatal,"\* to its practice. "All the songs and speeches betokening hatred must be taboo."† Of course, one must stick to truth and must speak it out clearly but gently. "One had better not to speak it, if one cannot do so in a gentle way, meaning thereby that there is no truth in a man who cannot control his tongue."‡ "Non-violence rules out harsh words, harsh judgments, ill-will, anger, spite, cruelty, torture of men and animals, starvation,

§ *Gandhiji's Correspondence with the Government, 1942-44*, p. 107.

\* *Harijan*, 25-8-'38.

† *Harijan*, 25-8-'40.

‡ Gandhi, M. K., *Constructive Programme*, p. 23.

§ *Harijan*, 25-7-'39; 15-10-'38.

\* *Young India*, 23-3-'30.

† *Young India*, 2-4-'31, p. 58.

‡ *Young India*, 17-9-'25, p. 318.

wanton humiliation, oppression of the weak, and the killing of their self-respect.”§ Non-violence is in the very nature of things of no assistance in the defence of ill-gotten gains and immoral acts.”\* It “rules out exploitation” which is the “essence of violence”.† Thus non-violence is, as Gregg called it, “the spiritual democracy of all life”.

Non-violence is essentially co-operative and cohesive. The co-operation brought about by violence is different from that gained from non-violence. The co-operation offered by the employees to the employers or by the tenants to the zamindars, is generally based on force and therefore violence. “The rich cannot accumulate wealth,” Gandhiji wrote, “without the co-operation of the poor in society.”‡ Such co-operation suffers from occasional fluctuations by strikes or lock-outs. There is no such thing as success of violent co-operation such as is sought to be secured in Fascist or Communist countries. Hitler was a forcible example of the former. Andre Gide, the French Noble Prizeman, once thought that from Russia alone, salvation for humanity would come. On the invitation of the Soviet Society of Authors, he visited the country in June 1936 and came back utterly disillusioned.§ Co-operation, therefore, should be based on strict non-violence if it is to be made beneficial to all concerned.

### Self-purification

One of the important means of peace technique is self-purification. In the Gandhian strategy, self-purification is an indispensable equipment of a peace worker. One fails in technique because “devil always takes advantage of the weakest

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§ R. B. Gregg defines violence thus: “Violence in any act, motive, thought, active feeling, or outwardly directed attitude which is divisive in nature or in result in respect of emotion or inner attitude, that is to say, inconsistent with spiritual unity....It would include for example, pride, scorn, contempt, anger, impatience, grumbling, spite, indignation, as well as killing, wounding, frightening, exploiting, deceiving, poisoning, tempting to evil, flattering, deliberate weakening of character and similar wrong.”—*The Power of Non-violence*, p. 282.

\* *Harijan*, 5-9-'36.

† *Harijan*, 21-5-'38; 4-11-'39.

‡ *Harijan*, 25-8-'40.

§ Koestler & Others, *The God that Failed*, pp. 231-32

spots in our nature in order to gain mastery over us.... If we could render ourselves proof against its machinations, we must remove our weaknesses."\* To begin with, such endeavours may be unilateral on the part of the workers. But in course of time they are bound to be effective and change the atmosphere.

The capitalists if they are bad as the workers generally allege, become so by reason of their environment. If such is the case, they would change only when the environment surrounding them changes. According to Gandhiji, the environment are we, the people, and the capitalists are an exaggerated edition of what we are in the aggregate.† This means that a change for the better can be effected only by self-purification or self-reform. The reforms required in the peace technique are always more from within than from without. Such reforms are an essential part of our life because they enable us to grow in strength. Thus self-purification is the best and most lasting self-defence.‡

What is the content of the self-purification? It is the cultivation of moral virtues. In one word, it is character-building. "It is the development of courage, strength, virtue and the ability to forget oneself in working towards great aims."§ The foremost object of labour work, according to Gandhiji, is to teach the workers "fourfold cleanliness". While addressing the Ahmedabad workers in 1920, he declared, "We must have more wages, we must have less work, because we want clean houses, clean bodies, clean minds, and a clean soul, and both are essential for this fourfold cleanliness."\*

### Satyagraha

The fourth means for the realization of Sarvodaya is Satyagraha. It is non-violence in its dynamic and militant form. The conflict comes in when one party tries to exploit the other party. But exploitation is possible only when there is no resistance, active or passive, by the exploited. This can be "extinguished not by effecting the destruction of a few millionaires but by

\* *Young India*, 19-1-'21.

† *Harijan*, 21-9-'34.

‡ *Young India*, 19-6-'24.

§ Bose, N. K., *Selections from Gandhi*, p. 254.

\* *Young India*, 5-5-'20.

removing the ignorance of the poor and teaching them to non-co-operate with their exploiters."† Such non-co-operation is not naturally an easy affair, because it entails suffering.

Satyagraha postulates the conquest of the adversary by suffering in one's own person. Such suffering is the Tapashcharya of the Satyagrahi which purifies both him and his so-called opponent. Such suffering should be accompanied by perfect patience and civility. Civility is the "most difficult part of Satyagraha" and does not mean an affected gentleness of speech, but "an inborn gentleness and desire to do the opponent good."‡ Satyagraha is the "mightiest propaganda that the world will have witnessed",§ which awakens and educates the public opinion. In the strategy of Satyagraha, public opinion is a "mightier force than that of gunpowder".\* Victory, therefore, is a certainty if the issue is true and substantial and if the Satyagrahi retains his patience and spirit of suffering.

How much suffering the Satyagrahi has to undergo and how highly Gandhiji evaluated it for the furtherance of non-violent campaign can be studied in the history of any of the Satyagraha campaigns conducted by him. We refer here to the Vykom Satyagraha alone as an illustration. This Satyagraha was undertaken in 1924-'25 to secure permission for the so-called "untouchables" and "unapproachables" to use certain roads round about the temple in Vykom of Travancore State in South India. When the Satyagrahis persisted in their resistance, the Travancore authorities chose to abandon them to the tender mercies of the goondas. The following statement was addressed by Gandhiji to the fighters:

The challenge of the goondas must be taken up. But the Satyagrahis must not lose their heads. The Khaddar dress of the volunteers is said to have been torn from them and burnt. This is almost provoking. They must remain cool under every provocation and courageous under the hottest fire. Loss even of a few hundred lives will not be too great

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† *Harijan*, 28-7-'40.

Cf. "The largest number of Soviet workers live below the poverty line and it is starvation wages which permit the swollen pay-packets of the privileged workers—the pliant yes-men."—Gide, Andre, *The God that Failed*, p. 242.

‡ *Young India*, 27-9-'28.

§ *Young India*, 7-5-'31.

\* *Young India*, 19-3-'25.



a price to pay for the freedom of the "unapproachables". Only the martyr must die clean.†

In the industrial field, Satyagraha generally takes the form of a strike. The first condition of a Satyagrahi strike is this that it should be "peaceful and there should be no show of force. It should be characterized by perfect co-operation among the strikers. No violence should be used against non-strikers."‡ The strikers should be able to maintain themselves during the strike period independently of their union or the public. The leadership of such a strike should be in the hands of one who has the belief in non-violence as an article of faith.

Thus the four means, viz., Truth, Non-violence, Self-purification and Satyagraha are necessary for the accomplishment of Sarvodaya in the industrial field. No one should say, "This is all Utopian and idealistic and is difficult to practise!" Surely, peace technique in the industrial field is an unusual and difficult experiment, and does, therefore, entail an organized effort on the part of all concerned. The effort to be successful must be all-sided. The approach of all the parties to one another should be simultaneously both individual and organizational. It should be educative and persuasive.

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† *Young India*, 3-7-'24.

‡ *Young India*, 16-2-'21.

## INDIAN TRADE UNIONISM

Along with this vast creation of wealth and power, the convenience and satisfaction, there has arisen out of the wealth and power...complicated and dangerous problems.§

—L. P. Jacks

## The Old Order

During the last nearly one hundred and fifty years, India was subjected to a systematic exploitation by the British people. "The hard-working labourers, the over-taxed peasantry, are being impoverished" declared D. E. Wacha at the 9th session (1893) of the Indian National Congress, "in order that Government officials and usurers may fatten at their expense. It robs the ryots, it entails an additional burden on them in order to actually compensate a microscopic minority already in receipt of salaries which find no parallel in any part of the civilized globe."\* Justice Ranade described the situation more directly when he said:

India has come to be regarded as a plantation of England growing raw productions to be shipped by British agents in British ships to be worked into fabrics by British skill and capital, and to be re-exported to India by British merchants in India through their British agents.†

This pitiless exploitation, the consequent wide gulf between the rich and the poor, arrogant coercion on the one hand, and helpless submission on the other seem to be the natural concomitants of industrialization in all the countries. The machine, in the opinion of Stuard Chase, has created "a new ruling class based on profits—largely manufacturing profits, and the scale on which they now operate is unparalleled."‡ Richard Gregg put it more picturesquely when he wrote, "No animal preys upon its own species. But man by a dreadful mistake, often preys upon and exploits his fellow-men."§ Indeed the money

§ *The Revolt Against Mechanism*, p. 30.

\* Sitaramayya, Dr. B. P., *The History of the Congress*, pp. 144-45.

† *Ibid.*, p. 66.

‡ *Men and Machines*, pp. 323-24.

§ *Which Way Lies Hope?*, p. 20.

and power which machine brought to its owners all over the world, made them blind to the grave injustice and to the grievances of the workers. They resented, as blind folly and wanton obstruction, the revolt of the workers against their miseries. They demanded that "labour, in its own best interests, should be forcibly restrained from combination of independent political activity."\* This untenable demand on the part of the capitalists to secure the convenient monopoly of exploiting labour was obviously the source of industrial tension.

### The Indian Capitalists

With the introduction of the capitalistic ventures in our country since the latter part of the nineteenth century, the craving for the monopoly of labour also followed suit. The capitalists in India—both Indian and British—are reported to have exacted 16 to 17 hours of work from their operatives for many years! The Earl of Shaftsbury while speaking on the question of Indian labour legislation in the House of Lords on the 30th July 1875 warned in the interest of British manufacturers:

We must bear in mind that India has raw materials and cheap labour, and if we allow the manufacturers there to work their operatives 16 or 17 hours and put them under no restrictions, we are giving them very unfair advantage over the manufacturers of our country, and we might be undersold even in Manchester itself by the manufactured goods imported from the East.†

In spite of such pious resolutions mainly inspired by the fear of the capacity of the Indian mills to beat down the British goods in competition, the pace of Indian labour legislation was extremely slow.

### The Indian Labour Movement

The development of the Indian labour movement can be divided into the following periods:

- i. 1875 – 1918: Social Welfare Period.
- ii. 1919 – 1924: Early Trade Union Period.
- iii. 1925 – 1936: Left-Wing Unionism Period.
- iv. 1937 – 1947: Constitutional and Parliamentary Period.
- v. 1948 and onwards: Co-partnership Period.

\* Cole, G. D. H., *A Short History of the British Working Class Movement*, p. 141.

† Quoted in *Trade Unionism in India*, p. 57 by Puneekar, S. D.

## Social Welfare Period [1875-1918]

The Indian labour movement began during the seventies of the last century. A Brahmo preacher from Bengal Shri P. C. Majumdar during his missionary work in the Bombay city established in 1872 eight night schools for the benefit of the working population. A like social activity of conducting night schools was started in Calcutta also in 1878 under the auspices of the Brahmo Samaj for workmen and depressed classes. When the first Indian Factories Act (1881) was being enacted, a group of Bombay social workers under the leadership of N. M. Lokhande and S. S. Bengalee made a protest on behalf of the workers against the inadequacy of that measure. In 1890 under the chairmanship of Lokhande the Bombay Mill-hands' Association was started which successfully intervened on behalf of the workers to obtain a weekly holiday for them. The secretary of the Association was D. C. Athaide. In 1897 the Amalgamated Society of Railway Servants of India and Burma was registered under the Indian Companies Act in India. The Workingmen's Institution, Calcutta, organized in 1905 an adult education movement for workers in the slums of the city and its suburbs. In 1911 the Kamgar Hitavardhak Sabha was started in Bombay which, along with its welfare activities, used to make representations on behalf of the city labour and to intercede in industrial disputes. Since then a number of trade unions were established in the various parts of the country in spite of the calculated discouragement and threats by the industrialists and the British Government. This was a time when there was almost a country-wide agitation against the Bengal Partition and the Government became extremely alarmed and repressive. The trade union movement also had had its due share of repression and the nascent unions, even though they were mainly occupied in social service and were hardly political, were declared practically illegal bodies by the Government by an amendment to the Indian Penal Code in 1913.

In 1916 Lokamanya Tilak started the Home Rule movement which soon spread in many parts of the country. It had a wonderful mass appeal. The Indian National Congress which met at Lucknow at the end of the year was unique, for the fraternization of the Hindus and Muslims as well as for the

formulation of a scheme of Self-government. One of the leaders of the Home Rule movement Shri B. P. Wadia succeeded in starting in 1918 a labour union among the textile workers in the city of Madras. This union, one of the most effective of early labour organizations in our country, did excellent work in removing the grievances of the workers. Three years later, however, the British employers succeeded in using the law against the union and in the course of a strike an interim injunction was obtained by them from the Madras High Court restraining the union leaders from interfering with their business. This suit focussed public attention on the urgency of trade union legislation, which did not exist in India at that time.

### Early Trade Union Period [1919-1924]

The first essential condition for the growth of trade unionism is the existence of a class of wage earners divorced from the ownership of the means of production. During the First War period (1914-'19) and the boom period following it, innumerable industries propped up throughout the whole country. The industrial labour, conscious of its place in the developing industries organized a number of trade unions. In 1918 Mahatma Gandhi successfully led the wage-strike in Ahmedabad and two years later inaugurated the Ahmedabad Textile Labour Union for labour work based on truth and non-violence. This at once provided a new and definite technique of labour work to the labour workers working in many centres in India. The incidence of the Russian Revolution and the launching of the Non-violent Non-co-operation movement by Mahatma Gandhi in India gave a tremendous fillip to the country-wide labour combination. Indeed the organization was so rapid and sound that in 1920 it was possible to hold the first session of the All India Trade Union Congress\* under the presidentship of Lala Lajpat Rai with a view to offer definite directives to the labour movement and to enable trade unions to send their delegates to the International Labour Conference which began in the same year.

During this period the trade unions were both defensive and offensive instruments for maintaining and improving the

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\* For a detailed history of A. I. Trade Union Congress movement, see Chap. XXIV.

conditions of labour, and they brought about industrial unrest, class-consciousness and class-solidarity. Some of the strongest unions during the period were: the Burma Labour Union, Jamshedpur Labour Association, Ahmedabad Textile Labour Association, Bombay Textile Labour Association, Bombay Girni Kamgar Mahamandal as also All India Postal and R. M. S. Associations.

### Left-Wing Unionism Period [1925-1936]

As the labour movement advanced, there was a gradual growth of militant tendencies in the movement owing to communist propaganda which was characterized by strikes and lock-outs prolonged for weeks and even months. This development was met by the Government by harsh and brutal methods which were retaliated by the working population with bitterness and even violence. Certain visitors from foreign countries had started at this time creating contacts in some of the industrial centres in India. The champions of Communism organized trade unions which soon became instrumental in engendering conflicts in some of the industrial areas. The first official notice taken of the communist movement in India was at Kanpur in 1924, when some of the left-wing trade union workers were arrested and sentenced to various terms of imprisonment for forming a conspiracy "to overthrow the sovereignty of the King Emperor over British India by means of an organized violent revolution". Undeterred by such reverses the movement continued to grow and early in 1927 the Communists were able to establish in Bombay, Girni Kamgar Union with a membership of nearly 54,000. In this manner the communist workers could secure great control on Bombay labour and in 1928 a strike, organized by them, was maintained for nearly six months.

Encouraged by this success they extended their activities to Bengal and opened a propaganda centre at Calcutta. During the year they were able to organize a number of strikes also in several parts of the country.

The British Government was, from the very inception of the movement, very suspicious of the trade union activities. In this they had the co-operation of the Indian capitalists also. An instance from the history of the Indian Trade Unionism may be quoted in this connection.

Shri N. M. Joshi, a veteran labour leader, introduced on the 8th September 1928, a Bill in the Central Assembly to amend the Indian Penal Code (120B) with a view to give the members and office-bearers of a trade union protection from criminal liability. The Bill was strongly opposed both by the Government and commercial interests in the Assembly and was rejected.\* Regarding the growth of trade unionism, the Royal Commission on Labour in India also thought it necessary to express in its Report (1931) the following fear :

Some employers are genuinely puzzled as to the methods by which they can attain the aim in view (i.e. encouraging healthy trade unions). But in many cases, we found it difficult to ascertain what active steps have been taken to encourage the growth of healthy trade unionism, whilst the attitude of some employers in their dealings with trade unions is singularly ill-calculated to secure that end.†

As the communist movement continued to develop the Government resorted to greater repression and launched the famous Meerut trial (1929) which was one of the biggest, most protracted and most expensive State trials in the world.‡ A number of labour leaders, mostly drawn from Bombay, were sentenced to long terms of imprisonment. Prof. Laski, along with many world celebrities like H. G. Wells, Romain Rolland, Dr. Einstein etc. severely criticized this trial. He said:

Men were torn from civil life for long years whose only crime was to carry out the ordinary work of trade union and political agitation after the fashion of every day life in this country (i.e. England)... A government which acts in this fashion indicts itself. It acts in fear and is incapable of that magnanimity which is the condition for the exercise of justifiable power.§

But Government further got passed three more Bills—Trade Disputes Act, 1929, Public Safety Bill, 1929 and the Bombay Trade Disputes Conciliation Bill 1934—with the same view of suppressing the militant movement. In the year 1929,

\* Punekar, S. D., *Trade Unionism in India*, p. 34.

† P. 323.

‡ The Meerut prosecution lasted for four and a half years and involved a total cost of about £ 1,60,000. Quoted in *Trade Unionism in India*, cited above, p. 88.

§ *Ibid.* pp. 87-88.

Bombay again witnessed fresh disturbances; but the strike was not so general and the workers had already begun to feel disheartened by the continual absence of success.

During 1930-'34 Communism in India was at a very low ebb. The Satyagraha Movement led by Mahatma Gandhi had completely dominated the political scene wherein members from all the strata of society had taken part. The Communists who had kept themselves aloof from the movement lost heavily in prestige. Moreover the Indian workers were very much disappointed on account of the failures of the general strikes conducted by the Communists during 1929-'30. The old experienced leaders were behind the bars and the inexperienced, ultra-extremist young leaders committed tactical mistakes which deprived them of mass contact. Looking to the growing unpopularity of the Communist Party, the India Government banned it on 23-7-'34 and the Bombay Government followed soon in doing so.

There were five distinct schools of thought in the labour movement during this period. The Communists aiming at the dictatorship of the proletariat, twice split the Trade Union Congress and started their own Red Trade Union Congress in 1931. The Radicals, wanting to make the Trade Union Congress a mass organization and thereby to create a platform for the struggle for enforcing a series of political demands for the workers, twice reconstructed the original Trade Union Congress. The Liberals, valuing both the economic and political character of the trade union movement, were forced to leave the organization by the Communists and, therefore, started the Indian Trades Union Federation and eventually, the National Trades Union Federation. The Sarvodayists consisted mainly of the Ahmedabad Textile Labour Association working on the basis of peace and of employer-employee collaboration. The Fifth Group included all the remaining groups which were not classed in the above four groups. This was the largest of all groups, consisting of organizations with diverse opinions, methods and policies. It included All India Railwaymen's Federation, the National Union of Railwaymen, the various combinations of Government employees and some other unions running independently of any central organization.



### Constitutional and Parliamentary Period [1937-1947]

In July 1937 the Indian National Congress assumed office and formed governments in seven out of eleven provinces. The establishment of popular ministries naturally opened up new possibilities for Indian labour. The inauguration of provincial autonomy, the greater freedom exercised by the workers, the allotment in the 1935 Act of special seats to labour both in the Central and Provincial Legislatures, the large-scale reforms to which the Congress and other political parties were pledged, and the signs of seemingly diminishing hostility on the part of several employers towards trade unionism have resulted in a greater spread of the movement during this period.

Paradoxical as it may seem, the regime of the popular governments was heralded by a wave of strikes all over India. The major strikes, besides stray strikes occurring almost in every province, were Textile Workers' strike of Kanpur (1937-'39), Jute Workers' general strike at Calcutta (1938), the Digboi Oil Fields strike (1939), and the U.P. Glass Bangle Factories strike, Ferozabad (1939).

The main reason for the strike movement seemed to be the fact that for a number of years the workers had suffered from unemployment, wage reduction, excessive hours of work and continuous lowering of their standard of living. The advent of popular governments brought to the suffering working class an opportunity of ventilating their grievances and of getting them redressed. The various Provincial Governments, on their part, secured the passage through the Legislatures of a mass of social welfare legislation, with a view to effect a radical amelioration of the life of the working populace. Besides this factor, the end of the Second World War (1945) involving the collapse of the totalitarian States and the sure signs of India's coming complete independence naturally marked a great advance in the evolution of our trade unionism, as can be seen from the following figures:

Year	No. of Regd. trade unions	No. of unions furnish- ing in- forma- tion	Membership of the unions submitting returns			Average membership per union	Percentage of women to total
			Men	Women	Total		
1	2	3	4	5	6	7	8
1942-'47	1,048	642	8,73,025	37,304	9,10,329	1,418	4.1
1949-'50	3,522	1,919	16,88,887	1,19,565	18,21,132	949	6.6
1950-'51	3,766	2,002	16,48,966	1,06,424	17,56,971	877	6.1
1951-'52	4,623	2,556	18,46,992	1,36,257	19,96,311	781	6.8
1952-'53	4,934	2,718	19,36,233	1,56,567	20,99,003	772	7.5
1953-'54	6,029	3,295	19,25,446	1,76,476	21,12,695	641	8.4*

### Co-partnership Period [1948 and onwards]

The Indian Constitution (26-11-'49) has defined the status of labour in terms of free citizens. The attainment of independence by means of non-violence and the introduction of adult franchise in the Constitution, have given an added content to the democratization of the Indian République. It would, therefore, be desirable to examine the relevant articles of our Constitution pertaining to the subject. Its emphasis on international peace, and in case of a threatened breach, on international arbitration is unequivocal.

Article 51 reads as follows:

The State shall endeavour to:

- (a) promote international peace and security;
- (b) maintain just and honourable relations between nations;
- (c) foster respect for international law and treaty obligations in the dealings of organized peoples with one another; and
- (d) encourage settlement of international disputes by arbitration.

Thus the State shall endeavour to promote international peace and security and, in case of a threatened breach of international peace, to refer the question to an International Board of Arbitration.

† *The Indian Labour Year Book*, 1954-55, p. 149.

The President Dr. Rajendra Prasad has always reiterated in his speeches the ideal of international peace. In his message on Independence Day broadcast on 14-8-'52, he said in part:

The first condition not only of all progress but also of our bare existence is peace based on mutual understanding....In a world widely seething with discontent and disruption, doubt and suspicion, we have to play our humble part for the maintenance of peace....We have won our freedom pursuing a novel and noble method. Our means have been as honest and ennobling as our ends. We owe it to ourselves and to others to proclaim our adherence, not merely by words but also by our deeds to these high ideals which inspired us during the period of the struggle for freedom.†

The insistence on the retention of peace which Prime Minister Pandit Jawaharlal Nehru has shown in the teeth of innumerable provocations from the neighbouring and distant nations has extorted encomiums even from international politicians. In one of his Independence messages, Panditji said:

We are not a very strong nation, yet we have raised our voice for peace. We have done so in the past, and we shall continue to strive for peace until our last breath....I am sure that in future too, peaceful methods would be made use of for settling all disputes.§

### Social, Economic and Political Justice

The breach of peace or outbreak of war generally occurs when there is a denial of social, economic and political justice. The modern industrial malaise is due to the fact that the concentration of wealth, of means of production, and of material resources are in the hands of a limited class in the society and that the ideal of common good has been lost sight of. This has resulted in the forced labour and in the exploitation of the helpless working men, women and children. The Constitution, has, therefore, laid down certain definite principles of policy to guard against the evil to be followed by the State in sections indicated as under:

38. The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

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† *The Times of India*, Bombay, 15-8-'52.

§ *Ibid.*

39. The State shall, in particular, direct its policy towards securing  
(a) that the citizens, men and women equally, have the right to an adequate means of livelihood;

(b) that all the ownership and control of material resources of the community are so distributed as best to subserve the common good;

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

(d) that there is equal pay for equal work for both men and women;

(e) that the health and strength of workers, men and women, and the tender age of children, are not abused, and that the citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;

(f) that children and youth are protected against exploitation and against moral and material abandonment.

The Constitution has held forced labour and traffic in human beings as punishable offences. Under Article 23(1), it has enunciated:

Traffic in human beings and *begar* and other similar forms of forced labour are prohibited, and any contravention of this provision shall be an offence punishable in accordance with law.

One of the main causes of industrial disturbances is this that the wages paid to the workers are not sufficient for their normal maintenance and that the conditions of work are not satisfactory. The Constitution has, therefore, enjoined:

43. The State shall endeavour to secure by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities.

This ideal of peace as is envisaged in the above-quoted sections of our Constitution should be the basis of peaceful industrial relationship in free India. This implies that in the new industrial order, there will be an absence of exploitation, and an absence of concentration of wealth and other means of production which are found "detrimental to the common good". Thus the new trade unionism should be directed, as the Constitution lays down, towards the evolution of a social order in which "social, economic and political justice", shall inform our industrial life.

## CHAPTER VI

### TRADE UNION OF GANDHIJI'S CONCEPTION

Combine, practise mutual aid. That is the surest means for giving to each and to all the greatest safety, the best guarantee of existence and progress—bodily, intellectual and moral.\*

—Prince Kropotkin

#### Gandhian Trade Union

We shall now examine the type of the trade union which Gandhiji had envisaged and which, in his opinion, would be able to carry out the labour work on peaceful lines and would create peaceful industrial relationship. The examination would involve a consideration of the place of labour in society, the objectives of the labour union, the duties and responsibilities of labour, capital, and the State, the requisites of the labour-capital collaboration, the methods of resolving the industrial disputes and such other questions.

Gandhiji had suggested "since 1920 the use of non-violence and its inevitable companion truth for canalizing hatred into proper channel."¶ The hatred may be of the conqueror by the conquered, of the master by the slaves, of the capitalist by the workers, or of the zamindar by the tenants. Thus the same technique may be applicable with local variations to various fields of work where passions are generated as a consequence of clashes of personalities and of interests. The industrial field is undoubtedly and admittedly, a prolific soil for this growth ever since the inception of the Industrial Revolution. This has given rise to an uninterrupted conflict which is a state of war—sometimes hot, sometimes cold but nevertheless ever continuous—which is being waged on that front. Indeed, industry being the major activity of man, the industrial war has unhealthy repercussions on his whole life. The peace technique, therefore, is designed to eliminate conflict from the industrial field and help him get peace in life which he has lost and is longing to regain.

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\* *Mutual Aid*, p. 75.

¶ *Harijan*, 24-1-'46.

## Gandhiji—The First Indian Labour Leader

Gandhiji's association with labour dates back to 1906 when he took up the cause of the indentured Indian labourers in South Africa and successfully conducted there the Satyagraha movement till 1914 against heavy odds. In that grim and protracted struggle, no less than twenty thousand workers were involved. At one stage, during the fight, more than two thousand labourers—men, women and children—joined their leader in the Great March which was undertaken with a view to nullify the Governmental ban on the entry of Indians into Transvaal. Thus Satyagraha which is "real sanction" and "most practical politics" and "mightiest weapon in the world" was forged on the anvil of the miseries of Indian labourers in South Africa.†

Gandhiji returned to India early in 1915. Before he launched Satyagraha on an all-India scale in 1919 against the Rowlatt Act, he led successfully a number of labour and Kisan movements. With his intercession, the Viramgam Customs Cordon was removed and the Indian Emigration Act which had legalized the indenture system of Indian labourers was repealed. The peasants of Champaran in Bihar were groaning for about a century under the oppression of the indigo planters. Gandhiji started Satyagraha. But the Government promptly appointed a Committee of Inquiry which "brought the planters' Raj to an end". This was soon followed by the wage strike of Ahmedabad labourers‡ and Kisan Satyagraha of Kheda (Gujarat). In this way, inside of four years after his return to India, he was an acknowledged leader of the Indian labourers and Kisans. Not only that but his leadership secured for the nation a typical non-violent technique, tried and found efficacious at all places which eventually gave the required confidence both to the leader and the led to continue to experiment on a nationwide scale. The labour work in India had started in the seventies of the last century. But the movement assumed a definitely dynamic and organizational form only after Gandhiji led the labour strike of Ahmedabad early in 1918. It is, therefore, proper that Shree Gulzarilal Nanda had counted Gandhiji as the first Indian labour leader.§

† *Harijan*, 21-7-46.

‡ For details, see Chapter XVIII.

§ *Planning for Labour—A Symposium*, p. 116.

## Dignity of Labour

His ideas of labour were revolutionary and were related to his basic conception of bread labour.\* He himself had been a labourer ever since he entered public life and had come to know of workmen's hardships and miseries in South Africa.† He wondered how a man who did not do body labour could have a right to eat! He "prided on calling himself a scavenger, weaver, spinner, farmer, and what not. It was a pleasure to him to identify himself with the labouring classes because without labour, we could do nothing."‡ The occupation of the Bhangi was the highest inasmuch as it protected social health. In his opinion, therefore, Bhangi was another name for Shivji.§ While addressing a workers' meeting, he said that he had been saying for years that labour was far superior to capital. "Without labour, gold, silver, and copper were a useless burden. He could quite conceive labour existing without metal. Labour was priceless, not gold."\*

In a labour meeting at Ahmedabad, while elucidating the difference between the mill-owners and the labourers, Gandhiji said:

The mill-owners' strength is their money. Your strength is your capacity to work. Capital would be helpless without labour. All mills would be at a standstill if you were not there to work them.... There is no doubt that they are helpless without labour. Labour thus possesses the key.†

This was the reason why Gandhiji wanted "labourers not to deplore, much less to despise, their lot and to realize the dignity of labour.‡ But labour must also be "intelligent enough to co-operate with itself and then offer co-operation with capital on terms of honourable equality.... A true and non-violent combination of labour would act like a magnet attracting to it all the needed capital."§ "The labourers do not know their own

\* For details, See Chapter III.

† *Young India*, 4-8-'27.

‡ *Young India*, 20-8-'25; *Harijan*, 12-5-'46.

§ Name of the third God of the sacred Hindu Trinity bestowing beatitude on humanity.

\* *Harijan*, 7-9-'47.

† *Harijan*, 7-11-'36.

‡ *Harijan*, 8-12-'33.

§ *Harijan*, 7-9-'47.

strength," Gandhiji deplored at another place, "otherwise why is there to prevent them from pooling their own sources and dictate terms as the employers do now?"\*

### Objective of a Trade Union: Workers' Republic

Gandhiji wanted the labour organization on Indian lines. He believed that India had her distinct tradition and she was capable of finding her own solution to the question of capital and labour. Even some of the western thinkers today stand aghast at the abyss to which their industrial system is heading.† "I owe whatever influence I have in the West," Gandhiji once wrote, "to my ceaseless endeavour to find a solution which promises an escape from the vicious circle of violence and exploitation. Let us study our eastern institutions in that spirit of scientific inquiry and we shall evolve a truer Socialism and a truer Communism than the world has yet dreamt of. It is surely wrong to presume that western Socialism or Communism is the last word on the question of mass poverty."‡

He has described the "Indian lines" in the following way:

I want its (labour's) organization along Indian lines, or, if you will, my lines; I am doing it. The Indian labour knows it instinctively. I do not regard capital to be the enemy of labour. I hold their co-ordination to be perfectly possible.§

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Cf. "Interdependence of various elements in our economic society is steadily more recognized; wage earners are more educated. On the part of management and employees, a new attitude towards each other, born of better understanding and mutual respect has found expression in a new estimate of their respective obligations."—*Industrial Relations: Administration of Policies and Programmes*.

\* *Harijan*, 25-6-38.

† Cf. "Today the 'vertical violence' reveals itself especially in the class-struggle: In spite of the most delightful slogans about 'national unity', the army in every country is ranged first and foremost against 'the enemy at home' i.e. against the masses of labourers, petty bourgeois and industrial workers who might at any time be driven to revolt."

—Bart De Ligt. *The Conquest of Violence*, p. 28.

‡ Bose, N. K., *Selections from Gandhi*, p. 93.

§ *Young India*, 17-3-27.

Cf. "You must apply your eastern mind, your spiritual strength, your love of simplicity, your recognition of social obligation, in order to cut out a new path for this great unwieldy car of progress shrieking out its loud discords as it runs."

—Tagore, Rabindranath, *Nationalism*, p. 57.



25. 6

conceived industrial ideals in terms of Truth and The truth in this case was social justice. All who have their due. Those who do not labour must labour. Those who do not labour would not be exploit those who cannot afford to live without labour. The working classes have all these centuries been isolated and relegated to an inferior status. They should be restored to their proper position. Gandhiji did not want "anything more for workers and peasants than enough to eat and house, and clothe themselves and live in ordinary comforts as self-respecting human beings."\* This would be a sort of workers' republic which "the Labour Union of Ahmedabad is trying to establish."\*

### Trade Union on Family Lines

But how is the realization of the republic be brought about? Not by violent revolution and strikes, but by non-violence and co-operation. Gandhiji's conception of a trade union is based on family model where all the constituents are inter-connected and inter-dependent and supplementary to one another. While describing his industrial ideal before the Indian Association, Jamshedpur, he declared:

I have always said that my ideal is that capital and labour should supplement and help each other. They should be a great family living in unity and harmony, capital not only looking to the material welfare of the labourers but their moral welfare also—capitalists being trustees for the welfare of the labouring classes under them.†

Amplifying the same theme in one of his Ahmedabad speeches, he said:

The relation between mill-agents and mill-hands ought to be one of father and children or as between blood-brothers. I have often heard the mill-owners of Ahmedabad refer to themselves as "masters" and

\* *Young India*, 2-4-'31.

† *Young India*, 20-8-'25.

Cf. "The trade unions which are formed today are of a different nature. In past decades, our unions were just like domestic unions. The modern pattern of trade unions has come from foreign countries. The relationship between the employer and the employed which is prevalent in other countries does not fit in here. We should not slavishly imitate foreign practices but adopt only those which are suitable to our culture, tradition, and surroundings."

their employees as their "servants". Such loose talks should be out of fashion in a place like Ahmedabad which prides itself on its love of religion and love of Ahimsa.†

The only sanction necessary for such relationship is "of mutual love and regard as between father and son, not of laws".‡ But then the duty of the employers is to see that all the employees get the living wage, better housing and other ordinary comforts. Such relationship is possible only when both or at least one party accepts non-violence as its basic ideal. So far as labour is concerned, non-violence is their only insurance. It was the non-violent strike of South Africa which brought General Smuts to his knees. "If you had hurt an Englishman," said he to Gandhiji, "I would have shot you, even deported your people. As it is, I have put you in prison and tried to subdue you and your people in every way. But how long can I go on like this when you do not retaliate?"§ It is a matter of history that the labourers of Ahmedabad and the peasants of Champaran and Kheda succeeded after a remarkably brief struggle because of non-violence.

But non-violence needs to be organized in order to be made effective. The organization based on co-operation, both among employees and with employers, possession of technical skill and participation in local movement—these factors are implied in the acceptance of non-violence. "Without that necessary discipline in non-violence, they (workers) would have internecine strife, and would never be ready to develop the strength that is needed to enable them to realize the power that they possess."† Indeed, it is non-violence alone which would teach "the poor to free themselves from the crushing inequalities which have brought them to the verge of starvation".‡

### Class-collaboration and No Class-war

Class-war is, according to Gandhiji, foreign to the essential genius of India, which is capable of evolving Communism on the fundamental rights of all on equal justice. "Our Socialism

† *Young India*, 10-5-'28.

§ *Harijan*, 22-9-'46.

† *Harijan*, 25-6-'38.

‡ *Harijan*, 25-8-'40.

or Communism should be based on non-violence and on harmonious co-operation of labour and capital, landlord and tenant."§ He had always told mill-owners that they are not exclusive owners of the mills and that workmen are equal sharers in ownership.† In the same manner, the landlords also should share their lands with their tenants. It, therefore, stands to reason that neither of the two should try to destroy but to convert the other. Thus with the acceptance of non-violence, class-war becomes an impossibility.

There is another reason why the concept of class-war should be regarded as an error in social analysis. The capitalists and zamindars are not all exploiters by an inherent necessity nor is there a fundamental irreconcilable antagonism between their and the workers' interests. All exploitation becomes possible through the co-operation of the workers. Conversely put, exploitation would cease, the moment the workers would cease to co-operate. What we should aim at, therefore, is not the destruction of the capitalists but of capitalism, and at the conversion of the capitalists. Capital as such is not an evil. Non-violent technique shows an easy way out of the situation. If the poor people become enlightened and are awakened to their potential strength, they would be able to convert the exploiters. The remedy might seem to be slow but it is the shortest and the surest.

But this is not to say that the class-struggle does not at all exist in the industrial world. Its existence is certainly granted. What Gandhiji did not believe in is the necessity of fomenting it in order to augment the discontent between the parties. To him the conflict between capitalism and labour is merely seeming. As a matter of fact it is between intelligence and unintelligence. "The problem" Gandhiji wrote, "is not to set class against class....To inflame labour against moneyed men is to perpetuate class-hatred and all the evil consequences flowing from it....The moment labour recognizes its own dignity,

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§ Bose, N. K., *Selections from Gandhi*, pp. 89-90.

† Cf. "I would say to the employer that he must genuinely desire to achieve a partnership between himself and his workers....I would say to the worker that he must be prepared to be a partner in the joint adventure."

—Kirkaldy, H. S., *The Spirit of Industrial Relations*, pp. 15-16.

money will find its rightful place i.e. it will be held in trust for labour."‡ Thus developing internal strength is Gandhiji's one of the non-violent remedies for the removal of industrial conflicts.

### Internal Strength

According to Gandhiji the trade union would be able to assert itself to the extent its members are enlightened, honest and co-operative. This requires that it must concentrate its energy upon achieving reform from within. Reform from within is a programme of self-purification.§ To a Communist, a trade union is essentially a fighting unit. The Gandhian trade union is both evolutionary and non-violent revolutionary, or rather, is a believer in the doctrine that if constant effort is made by itself to develop its internal strength by means of reforming activities, revolution would hardly be necessary.

What then are the reforms which Gandhiji had suggested to workers? It is true that the industrial population is the most susceptible to violence and easily inflammable. This sensitiveness coupled with unintelligence and ignorance has made the lot of labour very miserable. Cases of beatings, insolence and insubordination are frequently reported from labour unions and industrial concerns. Damaging capitalists' goods and machinery is not very uncommon. Gandhiji, therefore, was very emphatic on the first fundamental that violence would never save labour and that their non-violent combination alone would be irresistible.

The cultivation of non-violence is impossible without the development of moral faculty. This means, above all, that the workers should speak truth and should not injure or hate others. We are all bound together by the ties of love which is the only cohesive force in life. It is the silken thread of love binding together different members which makes the family strong. Loyalty to matrimonial relationship makes married life happy. It is licentiousness of the tongue to utter foul abuse or obscene songs. The workers should respect matrimonial ties and should be clean and moderate in their behaviour. These are the different expressions of self-purification. Besides, the workers

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‡ *Harijan*, 16-10-45.

§ For details, see Chapter IV.

should eschew drink, gambling, and other bad habits. They should look to the sanitation of their houses and their surroundings. In this manner they would be able to have "clean houses, clean bodies, clean minds, and a clean soul".\* According to Gandhiji, acquisition of better wages and reduction of working hours would be justifiable only when the workers would be able to demonstrate their will to bring about the above "fourfold cleanliness".

### Education

Education is the second important reform in this programme of developing internal strength. The increased wages received should be devoted to the education of the workers' children and the time saved by the reduction of working hours should be utilized for their own education. It is indeed a national degradation that little children who ought to be educated and fashioned into good citizens are required to be employed in earning wages. Gandhiji suggested that "at least up to the age of sixteen, they must be kept in school".†

### Communal Unity

Labour, according to Gandhiji, is a great equalizer and a powerful unifying agent. A united labour would become an irresistible force. He was, therefore, pained to see that the Ahmedabad labourers observed the distinction between Harijans and non-Harijans. He advised them and, through them to all Indian labour to "begin with a thorough removal of untouchability". They all earn their bread by the sweat of their brow and so they belong to one vast brotherhood. He had envisaged to achieve some day communal unity through labourers. He wrote, "Once the bar sinister against Harijans is removed, the way will be open for a wider unity among Harijans, Musalmans and other sister communities."‡

### Subsidiary Occupations

The last item of the programme would be cultivation of economical habits and learning of subsidiary occupations which

\* *Young India*, 5-5-'20.

† *Young India*, 28-4-'20.

‡ *Harijan*, 8-12-'33.

would maintain the workers wholly or partially. Industrial life is always full of vicissitudes including accidents, victimization and unemployment. The workers, therefore, should, by the very force of circumstances, be thrifty. They should not increase their wants artificially. They should not "contribute a single pice towards the expenses of conforming to meaningless and superstitious customs, such as caste dinners, or towards forming expensive marriage connections. Every marriage and every death brings an unnecessary cruel burden upon the head of the family."§ These customs must be counteracted with courage and resolution.

In the wage-strike of Ahmedabad in 1918, Gandhiji realized the necessity of teaching subsidiary occupations to the workers. If a strike is to be made successful, the strikers must have certain occupations by which they would be able to maintain themselves and their families during the period of the strike. During the periods of unemployment also, it would never do for them to sit idly at home. This enforced idleness would be immensely injurious to their morale and self-respect. "The working class would never feel secure or develop a sense of self-assurance and strength unless its members are armed with an unfailing subsidiary means of subsistence to serve as a second string to their bow in a crisis."\* The helpless labour depending solely on the sweet will of the industrialists would not be able to assert their demands. But if some subsidiary industries are made available to them which they might take up in times of strikes, they would be able to hold on. Such training, therefore, is bound to prove an important factor in strengthening labour. It is a pity that in the great vortex created by an extensive introduction of machinery, both the Government and the workers in India do not seem to be sufficiently conscious of the important role which the small-scale industries are sure to play in the life of the labouring population, and even in the life of the nation at large. Small industries include village, cottage, and home industries, and their revival on a large, organized, and systematic scale would help mitigate labour unemployment and even middle-class unemployment

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§ *Young India*, 24-6-'26.

\* *Harijan*, 3-7-'37.

and bring food and security to innumerable families. The problem of giving doles has become a permanent and a menacing feature of the social security programme in the West. Gandhiji has, therefore, warned the workers "not to rely upon doles".†

## CHAPTER VII

### DUTIES AND RESPONSIBILITIES IN INDUSTRY

Ideas which, in religion and in politics, are truths, in history are forces. They must be respected.‡

—Lord Acton.

#### Introvert and Extrovert Processes

Gandhiji's peace technique is essentially an introvert, that is, an introspective process. This process emphasizes prior attention to duties and responsibilities on the part of both the employers and the employees. This makes both of them conscious of their own limitations. This approach engenders an attitude on the part of both which is more favourable for co-operation. Both the parties tend to look upon each other less as opponents and more as collaborators. This is the essence of Gandhiji's approach which he calls the "eastern approach".

The other process is the extrovert process which has come to us along with the western industrialism. This process primarily lays accent on rights and demands. Both the parties endeavour to secure them by organizing their respective groups in opposition to each other. This attitude has given rise to the concept of class-war which is a basic feature of Socialism and Communism. While explaining the introvert process, Gandhiji wrote: "The true source of rights is duty. If we all discharge our duties, rights will not be far to seek. If leaving duties unperformed we run after rights, they will escape us like a will o' the wisp."§ "There is no right in the world which does not presuppose a duty."\* In other words, "every right carries with it, a corresponding duty."† In modern times, the emphasis on

† *Harijan*, 3-7-'37.

‡ *Lectures on Modern History*, p. 17.

§ *Young India*, 8-1-'25.

\* *Young India*, 4-8-'27.

† *Young India*, 26-3-'31.

rights has created a miserable spectacle of a permanent demand on the part of the labouring population for more and still more amenities. The employers, on their part, continue to emphasize their demand for more and more profits.

### Labourers as Co-partners

The working men and women form as much a necessary part of the industry as machinery, nay, even more. Because humanity requires of us to give better consideration to human beings than inert machines. Unhappily, however, there is a continuous conflict between man and machine in modern industry and the employing class is unfortunately allowing the latter to displace the former. Gandhiji asked in amazement how "men and women who may be called living machines, who are at least as much a foundation of the industry as the machinery and buildings, are less than inert machinery."<sup>‡</sup> He therefore wanted the capitalists "to make their labourers co-partners of their wealth".<sup>§</sup> Dilating upon the theme, at one place, he said:

The great political contribution that labourers can make is to improve their own condition, to become better informed, to insist on their rights, and even to demand proper use by their employers of the manufactures in which they have had such an important hand. The proper evolution, therefore, would be for the labourers to raise themselves to the status of part-proprietors.\*

When the workers would be so regarded as co-proprietors, they would honestly work and would not angrily damage industrial property. Neither would they "destroy cloth or machinery with a view to squaring their quarrel with the mill-owners".<sup>†</sup> They must, of course, fight square, if fight they must. But if mill-owners have enough imagination, they would regard the mill-hands as their co-sharers. Then the latter would "learn to identify themselves with the former. . . . Thus the mill-workers would rise and with them would rise the industries of our country."<sup>‡</sup> If the workers would refuse to work, the industries would come to a standstill. Thus the industrialists are helpless without labour. Therefore, "labour possesses the key."<sup>§</sup>

<sup>‡</sup> *Harijan*, 13-2-'37.

<sup>§</sup> *Young India*, 10-5-'28.

\* *Young India*, 16-2-'21.

<sup>†</sup> *Young India*, 4-8-'27.

<sup>‡</sup> *Young India*, 28-4-'20.

<sup>§</sup> *Harijan*, 7-11-'36.



## Labour Must Organize

Labour would be able to use the key in their favour only when they would organize themselves as the industrialists have done. They must organize unions in every department and all should observe scrupulously the rules that might be formed for them. They should learn to co-operate with each other and then alone, they would be able to offer co-operation to the capital on terms of honourable equality. The word "equality" has been used studiedly. Gandhiji wrote, "If conflict between capital and labour is to be avoided, as I believe it can and must be, labour should have the same status and dignity as capital."\* In his award on wage-cut given in December 1936, he had stated, as one of the principles of industry, "as a result of his close and unbroken contact with it for a period of eighteen years in the capacity of an arbitrator" the following:

It is vital to the wellbeing of the industry that workmen should be regarded as equals with the shareholders and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills.†

This was one of Gandhiji's revolutionary ideas on labour. But he wanted its equality to be recognized by capital, not by using undue pressure but by gently persuading the latter to do their duty by the former. The workers might interest themselves in the political work outside their industry and the labour workers might educate the working classes even in politics. But he was strongly against the exploitation of labour organizations for political purposes. Because he had believed that the workers themselves had not reached the stage of adequate political consciousness. But when they would be sufficiently conscious and are prepared to participate independently in politics, they are welcome to do so. "There is no objection and it is our duty to educate the working classes in politics and to make them take interest in Congress work. They ought to be partners but no pawns."‡ Because in that case, they would come as co-workers and not as the exploited. Till that time economic

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\* *Harijan*, 13-2-37.

† *History of Wage Adjustments in the Ahmedabad Industry*, Vol. IV, pp. 37-38.

‡ *Young India*, 23-11-'22; 30-11-'22.

amelioration, social betterment and intellectual enlightenment should be the objectives of the labour work.

This is the Gandhian or the non-violent way in industry so far as labour is concerned. Its aim is to progressively purify and correct the workers' lives and thus to try to convert the industrialists to become the trustees for the welfare of the labouring classes. Its one objective is co-ordination and not antagonism of the two parties. "This co-ordination must move towards one grand consummation—freedom of labour whether on the field or in the factory."§ But this co-ordination cannot be worked out overnight. Of the two parties, it is labour which is, and must be, out to convert the capitalist to its point of view. The process is bound to be long and tedious and to entail some suffering. This, however, does not mean that labour would be required to be patient endlessly. When a particular limit is reached, labour must "take risks and conceive plans of active Satyagraha" which we know as strike.

## Strike

Satyagraha by the workers is known as strike. According to Gandhiji, a strike is an "inherent right of the working-men for the purpose of securing justice".\* But the right should be exercised with extreme discretion and after the failure of all possible efforts at reconciliation. It is always an extreme step and is fraught with great risks. As the labour strike generally involves hundreds, thousands, and sometimes even lakhs of families in economic ruination, starvation and worse, it should be launched with the greatest caution. Gandhiji has given the following conditions of a justifiable, non-violent labour strike :

1. The cause of the strike must be just.
2. There should be practical unanimity among the strikers.
3. Strikers should never depend upon public subscriptions or other charity but should occupy themselves in some useful and productive temporary occupation.
4. A strike is no remedy when there is enough other labour to replace strikers.
5. Strikers must fix an unalterable minimum demand and declare it before embarking upon their strike.

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§ *Young India*, 27-8-'31.

\* *Young India*, 28-4-'20.

6. There is no room in a non-violent strike for violence in the shape of intimidation, incendiarism, etc.†

The above type of the strike can be called the industrial or the economic strike. The second variety is the political strike. The political strike, as far as the workers are concerned, should be judged on its merits and should never be mixed with an industrial strike. The third type is of the sympathetic strike. Labour being naturally sensitive to humanitarian emotions is easily tempted into resorting to such a strike. Such a strike should be generally taboo but might be undertaken with great precaution.

## Fast

The question is whether a fast has a place in a labour strike. A fast, though it is a very potent weapon in the Satyagraha armoury, has "very strict limitations and is to be taken up only by those who have undergone previous training".‡ The general principle in this regard enunciated by Gandhiji is: "A Satyagrahi should fast only as a last resort when all other avenues of redress have been explored and have failed."§ It has been seen that fast undertaken by a competent strike-leader when the labour morale seems flagging, invariably proves most effective in pulling it up. Thus it serves as a potent weapon for the purification of one's own self and of the group. During the wage-strike of Ahmedabad workers in 1918, the strikers showed signs of fatigue after 22 days. Gandhiji, as their leader, "felt that that was a sacred moment and declared that he would not take food so long as they did not get a 35 per cent increase or did not give up the fight altogether."\* The result was that the workers were greatly stirred, they began to do manual work, and their honour and integrity remained intact.† Thus the struggle terminated in favour of the strikers. It is for this reason that an astute politician like the late J. C. Smuts wrote of fast:

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† *Young India*, 16-2-'21; 22-9-'21.

‡ *Harijan*, 18-3-'39.

§ *Harijan*, 21-4-'46.

\* Desai, Mahadev, *A Righteous Struggle*, pp. 95, 63.

† *Ibid.*

A new technical device was of a very disconcerting but effective character.... That technique of reform was persuasion by self-starvation. ...I think the phenomenon is deserving of careful study.‡

## Duties and Responsibilities of Capital

According to Gandhiji, "the rich cannot accumulate wealth without the co-operation of the poor in society."§ But unfortunately, we are under the hypnotic influence of capital and have come to believe that capital is everything on earth. But "a moment's thought would show that labour has at its disposal capital which the capitalist would never possess."\* "Labour is free of capital and capital has to woo labour. And it would not matter in the slightest degree that capital has guns and even poisonous gases at its disposal. Capital would still be perfectly helpless if labour would assert its dignity by making good its 'No'."† Thus capital, in reality, "should be labour's servant, not its master".‡

When the acquisition of wealth and property by the industrialists has become a possibility mainly through the co-operation of labour, it follows that "they have no moral right to use any of it mainly for personal advantage."§ They have no justification to live more comfortably than an ordinary worker or the peasant who labours and provides wealth for them.

## CAPITALISTS AS TRUSTEES

But this does not mean that there should be uniform economic equality. People with more talent will have more money and more comforts. Gandhiji would allow a man of intellect to earn more but he wishes that such a man should not retain more than his needs. The modern industrial distemper centres round the accumulation of wealth with the few and the starvation wages with the majority of the members of society. "The rich have," Gandhiji wrote, "a superfluous store of things which they do not need and which are therefore neglected and wasted;

‡ "Gandhiji's Political Method", article from *Mahatma Gandhi*, Edited by Dr. S. Radhakrishnan, pp. 298-99.

§ *Harijan*, 25-8-'40.

\* Bose N. K., *Selections from Gandhi*, p. 80.

† *Ibid.*, pp. 86-87.

‡ *Ibid.*, p. 139.

§ *Harijan*, 16-2-'47.

while millions are starved to death for want of sustenance.”\* He has at another place described the economic disparity between the rich and the poor classes as existed during British rule. He wrote:

Every place that one sees in India is a demonstration not of her riches but of the insolence of power that riches gave to the few, who owe them to the miserably requited labours of millions of paupers of India.†

What was Gandhiji's remedy in the face of this appalling economic inequality? It was trusteeship. This means that rich man might not be deprived of the private property as the Communists and the Socialists would love to do. He “will be left in possession of his wealth of which he will use what he reasonably requires for his personal needs and will act as a trustee,‡ for the remainder to be used for the society.”§ This is the non-violent way of bringing about economic equality. Deprivation of private property would spell ruination of the propertied man who is thus lost to the society. In Gandhiji's way, both the surplus wealth and the services of the man knowing the art of acquiring wealth are retained in the interest of society. While addressing a meeting of the mill-owners and workers in Ahmedabad, he told the former:

What I expect of you is that you should hold all your riches as a trust to be used solely in the interest of those who sweat for you and to whose industry and labour you owe all your position and prosperity.\*

But the question will naturally be asked how the trusteeship would be effected non-violently? The reply is twofold: by the cultivation of public opinion and by non-co-operation. In democracy, public opinion, if skilfully cultivated, becomes a very potent force. In case of its failure to be effective, Gandhiji had suggested “non-violent non-co-operation and civil disobedience as the right and infallible means”.† A successor of a

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\* *From Yeravda Mandir*, Chapter VI.

† *Young India*, 28-4-'27.

‡ Cf. “Peace within industry cannot be achieved on any lasting basis unless those within whose hands that power lies, realize that power implies responsibility, that rights cannot be divorced from duties and that dominion in modern times must be exercised on a basis of trusteeship rather than domination.”—Kirkaldy, H. S., *The Spirit of Industrial Relations*, p. 13.

§ *Harijan*, 25-8-'40.

\* *Young India*, 10-5-'28.

† *Harijan*, 25-8-'40.

trustee would be chosen by the original owner but the choice will be finalized by the State. In his opinion, "such arrangement puts a check on the State as well as the individual."†

He analysed this concept still more and gave out the implications which might confound even a Communist. While writing about the conversion of princely autocracy into trusteeship, he suggested requisition even of individual talents for social service. He wrote:

No one is entitled to the arbitrary use of the gains from the talents. He is a part of the nation or say, the social structure surrounding him. Therefore he can only use his talents not for self only, but for the social structure of which he is but a part and on whose sufferance he lives.§

It was wellknown how in public life Gandhiji was extremely scrupulous in spending money and in using other materials like even paper, pencil, etc. While addressing Ashram members at Vykom during the anti-Untouchability Satyagraha in 1925, he said:

You may not waste a grain of rice or a scrap of paper and similarly a minute of your time. It is not ours. It belongs to the nation and we are trustees for the use of it.\*

In this way, Gandhiji tried to instil capitalism with the high social purpose and to divest it of the canker of selfishness. It was not for nothing, therefore, that Gandhiji "wished that the concept of trusteeship became a gift from India to the world".†

#### ECONOMIC EQUALITY

According to him, "economic equality is the master key to non-violent independence."‡ It is equal distribution or call it, equitable distribution. Equitable distribution is the "substitution of false and non-human economics by true and human economics" because "not killing competition but life-giving co-operation is the law of the human being".§ In reply to a question what exactly economic equality meant, Gandhiji said that "it did not mean that everyone would literally have the

† *Harijan*, 16-2-'47.

§ *Harijan*, 2-8-'42.

\* *Young India*, 19-3-'25.

‡ *Harijan*, 23-2-'47.

† Gandhi, M. K., *Constructive Programme*, p. 20.

§ *Harijan*, 13-7-'35.

same amount. It simply meant that everybody should have enough for his or her need.”\* He agreed with Marx in its definition which is: “From each according to his capacity to each according to his needs.”\* Reduced to precise terms, it means that “everyone must have a balanced diet, a decent house to live in, facilities for education of one’s children and adequate medical relief.” He did not taboo everything beyond these bare necessities but he maintained that they could come only “after the essential needs of the poor are satisfied. First things must come first”.\* This is the first duty which must claim the attention of an industrialist.

### LIVING WAGE

Living wage would be the primary item in the programme of economic equality in the industrial field. For all these centuries in the past, we have ignored the proletariat but have arrogated to ourselves the right of commanding their labour without caring to see whether they got enough wages for their food, raiment, and shelter. The time has now come when we must think “in terms of their needs, their hours of work and leisure and their standard of living”.†

Since the time Gandhiji began to take interest in the labour work of Ahmedabad, he had continuously focussed the attention of the mill-owners on the fact that the workers’ wages which were paid to them were not sufficient for their maintenance. He had had an economic inquiry conducted by Shree Shankarlal Banker early in 1918 in the labour areas of the city, and had it conclusively proved by means of facts and figures.¶ Since that time he was constantly hammering out this fact in all the awards which he gave as an accredited arbitrator and in all the negotiations which he conducted as a representative of the Ahmedabad labour.

Commenting on the award of the umpire, Diwan Bahadur K. H. Jhaveri in 1929, Gandhiji wrote:

The umpire’s judgment...is a bold enunciation of the doctrine that when “the worker does not get enough wages to enable him to maintain a suitable standard of living, he can ask employer to pay him wages which would enable him to do so.” The contention advanced by labour

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\* *Harijan*, 31-3-’46.

† *Harijan*, 14-9-’35.

¶ For details, see chap. XVIII.

for the past many years and denied by employers that it is entitled to a living wage has been wholly accepted, as I maintain it was bound to be, by the umpire.†

In 1936, Gandhiji gave his award on the Ahmedabad Mill-owners' Association's demand for 20 per cent cut in the wages of their workers. He had explained therein his conception of a living wage in detail as follows:

(a) Living wage should first be determined and agreed to by both the parties.

(b) There should be no cut till the wages have reached living wage level i.e. level adequate for maintenance.

(c) No cut shall be made till the mills have ceased to make any profit and are obliged to fall back upon their capital for continuing the industry.

(d) It is vital to the wellbeing of the industry that workmen should be regarded as equal with the shareholders and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills.§

He developed the same line of thinking in his comments on Sir Govindrao Madgaonkar's award in the Ahmedabad Mill Industry wage dispute, which was given in January 1937. He maintained therein that minimum wages should surely have precedence over minimum profits. He argued:

The wages of the operatives who are "living machines"...and who are at least as much a foundation of the industry as the machinery and the buildings, may not be reduced to ensure a minimum of profit. I make bold to say that if the votes of humane shareholders (and I regard the shareholders of mills as humane) were taken, they would summarily reject the proposition that their profits should be preferred to the wages of labour on whom depend their profits.\*

What should be the figure of the living wage? Evidently, it would change according to the prevailing prices and even industries. In the deliberations of the All-India Village Industries Association he tried to determine the content of the minimum wage. According to him, "we must ensure all workmen a wage which would give them a reasonably balanced diet... It must be devised for every province, taking good care that the workman or workwoman gets a sufficient allowance

† *Young India*, 12-12-29.

§ *History of Wage Adjustments in the Ahmedabad Industry*, Vol. IV, p. 37.

\* *Harijan*, 13-2-37.



of milk and ghee and vitamins in his or her diet.”† At another place, he described the content in another way as follows:

The real hunger of workers...is...for decent living as self-respecting, equal citizens, for a square deal as human beings, for freedom from fear, inculcation of clean and sanitary habits, thrift, industry and education.‡

Gandhiji believed that ordinarily a husband's earning should be sufficient to maintain the whole family and that the wife should not be required to earn. While addressing the Ahmedabad workers, he said:

Women should be gradually weaned from mill-labour. If man and woman are partners in life and complimentary each of the other, they become good householders only by dividing their labour and a wise mother finds her time fully occupied in looking after her household and children.§

This did not, however, mean that Gandhiji was opposed to the wives of workers working in the factories.. He believed that with the awakening of labour, factory conditions would be improved and working hours would be conveniently reduced. This would make it possible to fix up such varieties of work as would suit the women workers. He had, therefore, suggested later that practically all the adult members of the working-man's family should be wage-earners. He had advised the clerks also “to educate their dependents, especially their wives to engage in some gainful occupations”.\*

The standard of life which Gandhiji had envisaged for the workers was generally regarded by the capitalists as too high to be within easy reach. They had always pleaded inability to reach the ideal. But he had always advised them to avert any clash with workers if it could be done with just sacrifice on their part. He was in favour of giving bonus to the workers. He had approved also a scheme of industrial insurance devised for the benefit of the clerical workers because he thought that that would be “in this age of insurance to their good”.

#### SOCIAL BETTERMENT

Next to employment, housing is the second need. Gandhiji paid a visit to the labour huts of Kolar Gold Mines† and was

† *Harijan*, 31-8-'25.

‡ *Harijan*, 29-9-'46

§ *Young India*, 5-5-'20.

\* *Young India*, 3-5-'28.

† These Kolar Gold Mines were nationalized in October, 1956.

much pained to find that they were "too small, too ill-lighted and too low-roofed to be fit for human habitation".‡ Later in the same year, he was invited to inspect the colony which the Bangalore Municipality had built for its petty employees on a beautifully open plot of 18 acres. These huts were better than the Kolar Gold Fields huts but they were insufficient in space. Gandhiji, therefore, suggested to them that one more room for each of the huts and a verandah were absolutely necessary. At both these places, he warned the proprietors that "unless they voluntarily recognized the due status of labour and treated it as they treated themselves, time was not far distant when labour would dictate its own terms".§ He had always believed that provision of decent housing to labour was the charge of the capitalists which they could shirk only at their peril.

His solicitude for the poor workers being brought in line with their well-to-do brethren as equals so far as the normal amenities of life were concerned, was indeed noteworthy. He had been to Masuri and Panchgani at different times for the recuperation of his health. At both these places he rattled the skeletons in the cupboards. He said that it was the "bounden duty of those to whom God has given more than their needs to spend the extra on those who were in want".§ and suggested that those hills should have such places built where the poor could come and avail themselves of the good climate. As a result at both these places, Dharmashalas were built by private donors for the use of the poor patients. Gandhiji wrote that "he would not grudge the rich of their riches, provided that they do not forget the poor and share their riches with them and provided their riches are not gained at the expense of and by the impoverishment of others."\* This was the ideal set up by Gandhiji before the capitalists whom he expected to treat their workers as their children. Indeed, he had gone to the radical conclusion of his emphasis on the workers being regarded as the co-partners of the industry. In cases of obstinate strikes, his advice was :

Such employers should at once offer the strikers full control of the concern which is as much the strikers' as theirs. They will vacate their

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‡ *Harijan*, 13-6-'36.

§ *Harijan*, 16-6-'46.

\* *Harijan*, 31-3-'46.

premises not in a huff but because it is right and to show their goodwill, they would offer the employees the assistance of their engineers and other skilled staff. The employers will find in the end that they will lose nothing. Indeed, their right action will disarm opposition and they will earn the blessings of their men.\*

This suggestion is, in reality, not so fantastic as it seems at first sight. Non-violence does possess an intrinsic quality of order and adjustment even in an anarchy. It was for this reason that Gandhiji had asked the British Government in 1942 to quit India leaving her to "God or anarchy". He had called this state an "enlightened anarchy". The idea is that in non-violence, the disturbance, whatever the field, is temporary and is soon substituted by a permanent social equilibrium. Ideal capitalists would always provide good working conditions e.g. well-ventilated rooms, safety arrangements in dealing with machines, good materials, dining sheds, good drinking water, clean urinals and latrines, and would prohibit abusive language and assaults etc. Besides, "they can open cheap restaurants for the working-men where they can get pure milk and wholesome refreshments. They can open reading rooms and provide harmless amusements and games for them. If the workers are provided with such healthy surroundings, the craving for drink and gambling will leave them."† Labour unions should also attempt similar things and be "better employed in devising means of improvement from within than in fighting the capitalists".‡ "There should be a hospital, a creche and a maternity home attached to every labour centre."§ Such enlightened treatment of the workers would greatly mitigate the occurrence of any strife and in case of its occurrence, its elimination would be comparatively easy.

### Duties and Responsibilities of Labour Unions

Labour in India is still extremely unorganized and can be easily influenced by any irate ideology. The workers believe that they are "helpless before the employer",\* and "become a pawn in the hands of the politician on the political chessboard".† The

\* *Harijan*, 31-3-'46.

† *Young India*, 2-7-'31.

‡ *Young India*, 28-4-'20; *Harijan*, 31-7-'37.

§ Bose, N. K., *Selections from Gandhi*, p. 139.

\* *Harijan*, 3-7-'37.

† *Is India Different?* p. 25.

workers should, therefore, have unions and they should "scrupulously observe the rules that may be formed for them".‡ "A true and non-violent combination of labour would act like a magnet attracting to it all the needed capital."§

The labour unions should "aim to raise the moral and intellectual height of labour and thus by sheer merit...make labour master of the means of production instead of being the slave that it is".\* They should not exploit or organize it for any direct political power.† There is nothing more injurious to the morale and self-respect of the workers than enforced idleness. The unions, therefore, "must train workers to a supplementary occupation in addition to their principal occupation... so that in the event of a lock-out, strike or loss of employment otherwise, they would always have something to fall back upon instead of being faced with the prospect of starvation".‡

### Constructive Work

Constructive programme, according to Gandhiji, is "designed to build up the nation from the very bottom upwards...it must mean complete independence in every sense of the expression".§ Indeed, his claim is that civil disobedience is not absolutely necessary to win freedom through purely non-violent effort, if the co-operation of the whole nation is secured in the constructive programme.§ It is, therefore, the joint responsibility of both the employers and the labour unions to carry on various items of the programme in the labouring population.

Cloth stands second to food as a daily necessity. Labour, therefore, even of the textile industry should be educated that they should introduce spinning as a subsidiary occupation in their families who would wear the cloth woven out of their yarn. Spinning would gainfully utilize their spare moments and would secure a substantial addition to their annual income. The introduction of Ambar Charkha in the labour families

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‡ *Young India*, 28-4-'20.

§ *Harijan*, 7-9-'47.

\* *Hindustan Standard*, 28-10-'44.

† *Is India Different?* p. 25.

‡ *Harijan*, 3-7-'37.

§ Gandhi, M. K., *Constructive Programme*, pp. 5, 28.

would acquaint them with a new industry which alone would give them decent maintenance and on which they can rely in times of need. The spinning activity would also teach them the value of industry and would keep away from their doors the devil of sloth and squabble. As is the invariable experience of the Khadi workers, the introduction of spinning and its allied industries in labour areas works out a slow and peaceful revolution in the life of workers and of their families.

Education is the next important item in the programme. The employers have up to now sadly neglected literacy and political education of an important part of Indian humanity which labour is. The result is that it does not either take interest in, or understand the problems of, national reconstruction and the ways in which it could participate in the great work. Indian labour is, therefore, parochial and can be an easy victim to political propaganda. It observes untouchability. Education is the only solvent of all these ills. It should be both literary and scientific. Adult education which, according to Gandhiji, meant "true political education by word of mouth",\* should widely be organized in labour areas through night schools for men and women workers. Their children should be educated on basic education lines.

Prohibition of intoxicating drinks, drugs and gambling has a vital place in the constructive programme for labour. With the co-operation of the State, employers and labour unions, "every drink shop should be converted into a refreshment shop and concert-room combined. Poor labourers will want some place where they can congregate and get wholesome, cheap, refreshing, non-intoxicating drinks, and if they can have some good music at the same time, it would prove as a tonic to them and draw them."† Prohibition, wherever it has been enforced has "meant new life for many millions...and new and substantial accession of moral and material strength".‡ It is also a "type of adult education of the nation"§ and "brings an all-round improvement in the life of labour".\*

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\* Gandhi, M. K., *Constructive Programme*, p. 16.

† *Young India*, 8-9-'27.

‡ *Harijan*, 24-12-'38.

§ *Harijan*, 12-3-'38.

\* *Harijan*, 31-7-'37.

The constructive programme is primarily meant to educate labour in all these healthy directions. It would raise the moral and intellectual calibre of the workers and would make them conscious enough to understand their important place in society. This realization when developed on sound, integrated lines, would help labour become the master of the means of production. "They are strong in numbers" Gandhiji once wrote, "and yet they feel so dependent, so very much at the mercy of their employers. The thing that they have to realize is that labour is as much a capital as metal. That realization can come only through acceptance of non-violence."† Acceptance of non-violence means prosecution of constructive programme, which may otherwise and more fittingly be called "construction of Purna Swaraj or complete independence by truthful and non-violent means".‡

### Duties and Responsibilities of the State

In the working of the industry, the State has a vital part to play. But it "represents violence in a concentrated and organized form".§ So the increase in the power of the State is a threat to the healthy development of its citizens and a source of great fear. That was the reason why Gandhiji preferred "not a centralization of power in the hands of the State, but an extension of the sense of trusteeship".\* The State might permit private ownership of the means of production. if the capitalist would raise the worker to the status of co-partner of his wealth and both labour and capital work as mutual trustees and trustees of the consumers.† But if the capitalist failed to do so, that is to say, if the capitalist is not prepared to carry on the industry on the basis of trusteeship but is actuated only by profit motive, Gandhiji would support a minimum of State-ownership.‡ What would be the duty of the State then? He wrote, these nationalized State-owned factories "ought to be working under the most attractive and

† *Harijan*, 25-6-'38.

‡ Gandhi, M. K., *Constructive Programme*, p. 7.

§ Bose, N. K., *Selections from Gandhi*, p. 42.

\* *Ibid.*

† *Young India*, III, p. 736.

‡ *Young India*, II, p. 1130.

ideal conditions, not for profit but for the benefit of humanity. . . . The saving of labour of the individual should be the object, and honest humanitarian consideration, and not greed, the motive".§ Capitalism exploits labour of a few to multiply itself. But imagine the labour of crores, adequately paid and wisely utilized, automatically increases the wealth and welfare of the crores. This is true democracy. "In Independent India," which Gandhiji described during his last fast in New Delhi, he said, "there would be neither paupers nor beggars, nor high nor low, neither millionaire employers nor half-starved employees, nor intoxicating drinks."\*

In the private enterprise, the management should share with the workers the responsibility of the administration. In State-owned industries, Gandhiji "had accepted the principle that the workers should be represented in the management through their elected representatives and should have an equal share in the management with the representatives of the Government".† In the latter half of 1937, the Indian National Congress felt itself powerful enough to hold the reins of administration of the nation. Gandhiji had made it clear then that "the Congress lived for the labourer and the capitalist in so far as the latter subserved the former's purpose."‡ According to him, in a well-ordered State, there is "no room, no occasion for lawlessness or strikes. In such a State, there are ample lawful means for vindicating justice; violence, veiled or unveiled, must be taboo."§

### Model Trade Union

The Ahmedabad Labour Union is based on "non-violence, pure and simple" and represents though partially, a trade union of Gandhiji's conception. It is opposed to Capitalism. But it is not opposed to persons as such who are styled as capitalists. Because Gandhiji has placed before the Labour Union an ideal where "the capital and labour should supplement and help each other. They should be a great family living in unity and

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§ Bose, N. K., *Selections from Gandhi*, p. 68.

\* Gandhi, M. K., *Delhi Diary*, p. 342.

† Dhavan, G. N., *The Political Philosophy of Mahatma Gandhi*, p. 353.

‡ *Young India*, 27-8-'31.

§ Gandhi, M. K., *Delhi Diary*, p. 381.

harmony.”\* The Ahmedabad Labour Union does not want to paralyze capital with a view to strengthen labour. Its idea is to organize labour by bringing out a reform from within itself and with its own initiative. It wants to educate labour to evolve its own leadership and its own self-reliant organization. Thus its direct aim is internal reform and evolution of internal strength. “In my knowledge,” Gandhiji wrote, “the Ahmedabad Union is the best managed Union. This does not mean that it has reached my ideal. It is trying to do so.”† “If I had my way” he wrote at another place, “I would regulate all the labour organizations of India after the Ahmedabad model.”‡

## CHAPTER VIII

### DYNAMICS OF PEACE

A violent and bloody revolution is a certainty one day, unless there is a voluntary abdication of riches and the power that riches give and sharing them for the common good.§

—Mahatma Gandhi

#### The Phases of Peace

“Non-violence” as Gandhiji has said, “works in a most mysterious manner.”\* Like all great ideals, non-violence too tends to influence and transform the totality of life, whether of an individual or of a nation, when it is manifested through all its phases. Widespread change of ideas or of heart in consonance with a great ideal is usually a long process. The reason is that its permeation into the very being of man is necessary for effecting the vital change and this process is possible only when the new ideal is reduced to practice and is actualized in all walks of life.

Peace as we understand it today, is a new concept in modern life. Like all the other concepts, it has two distinct elements: theoretical and practical. The exposition of the theory consists in the discussion of its various phases, mainly in the

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\* *Young India*, 20-8-'25.

† Bose, N. K., *Selections from Gandhi*, p. 139.

‡ Gandhi, M. K., *Constructive Programme*, p. 23.

§ *Ibid.*, p. 18.

\* *Young India*, 13-9-'28.



subjective world, as are visualized by the theorist. The technique consists in the construction of an apparatus by which the theorist conceptualizes his vision and which turns the vision into concrete and objective propositions. In other words, the theory is given appropriate forms in the practical world.

To Gandhiji, an ideal was never a mere logical abstraction or an academic theory. He ever thought of ideals only in terms of practice. He was a man of action to whom even "God appeared not in person but in actions".¶ He wanted the non-violent pattern of society. He could see that the old institutions—social, political and economic—based on exploitation and violence would no longer be helpful for this new transformation. He, therefore, established suitable institutions, forged appropriate instruments and created new leaders for the accomplishment of the integration of peace in the whole society. In this manner Gandhiji developed his technique of peace in four phases, which are:

- (1) Ideological,
- (2) Social,
- (3) Political, and
- (4) Economic.

### **Ideological Phase of Peace**

During the last fifty years and more, Mahatma Gandhi was engaged in the great work of organizing an extensive freedom movement on the basis of truth and non-violence, as also in teaching the whole nation and through it, even the whole world, the ways of peaceful life both in its individual and national aspects. Circumstanced as we then were under a foreign rule, the combative or the militant aspect of non-violence was obviously preponderant.

In 1938, Gandhiji advocated the enlistment of volunteers for the formation of Shanti Senas or peace-brigades in cities and villages to deal with communal riots. At his instance, efforts were made after 1938 to organize such peace-brigades in some parts of the country. In the autumn of the same year, he made an extensive tour of the North-Western Frontier Province in company of Khan Abdul Gaffar Khan who had organized the

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¶ *Harijan*, 13-6-'36.

non-violent movement of Khudai Khidmatgars i.e. non-violent Red Shirts, among the war-loving frontier folk. During the tour, Gandhiji gave talks to the Khudai Khidmatgars, "describing in minute details the nature and working of non-violence, which, he remarked later on, constituted the most systematic and comprehensive exposition of the theory and technique of non-violence that he ever gave in one place."† His conception of Swaraj "was synonymous with Ramarajya, the establishment of the Kingdom of Righteousness on earth".‡ It was a "sovereignty of the people based on pure moral authority",§ and "ensuring rights alike of prince and the pauper". His conception of Sarvodaya was that it includes "the greatest good of all" which in its turn, "inevitably included the good of the greatest number".†

### Social Phase of Peace

Gandhiji organized Harijan Sevak Sangh in September 1932. Its objective was to remove by all peaceful means the disabilities imposed upon the Harijans or the so-called "untouchables" which was a "canker eating into the very vitals of Hinduism".‡ He founded Hindustani Talimi Sangh (1937) for the purpose of initiating education on a nation-wide scale based on non-violence. While explaining the inner meaning of the new education, he spoke:

All our problems have to be solved non-violently. Our arithmetic, our science, our history will have a non-violent approach and the problems in these subjects will be coloured by non-violence.§

The Kasturba Gandhi Memorial Trust (1946) aims at the welfare and education of women and children in rural areas only through the agency of women workers. The Trust has been training women workers for the propagation of health and sanitation, basic education and village industries.

The propagation of Hindi, which is the National Language of India, should also be counted as one of the social activities

† Pyarelal, *A Pilgrimage for Peace*, p. vi.

‡ *Young India*, 4-5-'21.

§ *Harijan*, 2-1-'37.

† *Young India*, 9-12-'26.

‡ Gandhi, M. K., *My Soul's Agony*, p. 5.

§ *Harijan*, 7-5-'38.

based on non-violence. The reason is that the spread of Hindi was intended to bring about cultural unification of the Hindi-speaking and non-Hindi-speaking provinces without coming in conflict with the progress of the provincial languages. Gandhiji had initiated the movement as early as 1920 for the recognition of an All-India common speech which politically-minded India could easily speak, and which would eliminate the spell that English has cast upon us. He wrote: "Howsoever virile the English language might be, it cannot be our lingua franca.... No language other than Hindustani can be our National Language."\* In 1942, Hindustani Prachar Sabha was started at his instance for the purpose of propagating Hindustani.

### Political Phase of Peace

How Gandhiji forged the militant weapon of Satyagraha out of non-violence and turned the Indian National Congress into a non-violent militia and through it, achieved independence is a thrilling chapter of Indian history. The non-violent movement thereby showed the immense possibilities of this weapon even in the political field. India's success inspired hope in the suppressed and exploited nations of the world and gave a fillip to the pacifist movement.

### Economic Phase of Peace

The organizations, which Gandhiji founded for the economic amelioration of the people represent the economic phase of peace. The Ahmedabad Textile Labour Association† comes first in the line. It was formally inaugurated by Gandhiji in 1920 and has been pledged to adopt non-violent means for the solution of the labour problems. It is the first labour union to initiate the principle and procedure of arbitration which has played an important part in its development. At the instance of Gandhiji, "nationalization of the textile industry in due course" has been added in 1926 as one of its objects. An All-India labour organization called Rashtriya Mazdoor Congress (Indian National Trade Union Congress or INTUC)‡ was formed in May 1947 to

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\* Gandhi, M. K., *Rashtrabhasha Hindustani* (Hindi), pp. 206-07.

† For details, see Part II.

‡ For details, see Chapter XXIV.

work on lines initiated by the Ahmedabad Textile Labour Association. The All-India Cow Protection Association (May 1925) was meant to bring about an all-sided improvement of cows, so as to make them an asset in the economic life of an Indian agriculturist. § The All-India Spinners Association or briefly put A.I.S.A. was started (October, 1925) with a view to supply the villagers with a supplementary industry of Khadi. According to Gandhiji, it "connotes the beginning of economic freedom and equality of all in the country.... The Khadi mentality means decentralization of production and distribution of the necessities of life." \* The All-India Village Industries Association i.e. A.I.V.I.A. (November 1935) was intended in his opinion, "to encourage the existing village industries and to revive where it is possible and desirable, the dying or dead industries of villages according to the village methods i.e. the villagers working in their own cottages as they have done from times immemorial." † The Nature Cure Trust (September 1946) was also meant to help the villagers to retain and regain health. Gandhiji said, "My nature cure is designed solely for villagers and villages." ‡

There are over two crores of Adivasis in the whole of India. Our economic order would be incomplete, indeed unjust, if the economic welfare and social uplift of these Adivasis are not included in our economic programme. The late Shree A. V. Thakkar had started the Adivasi uplift work in Gujarat in about 1920. Some years after, the Raniparaj work was started in the Surat district by one of the inmates of Mahatma Gandhi's Satyagrahashram of Sabarmati, Shree Jugatram Dave. Such centres of Adivasi uplift work have now been commenced in various parts of the country working under the aegis of the Adim Jati Seva Mandal or Adivasi Workers' Federation (1946). According to Gandhiji "all such service is not merely humanitarian but solidly national, and brings us nearer to true independence." §

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§ Gandhi, M. K., *Goseva* (Gujarati), p. 167.

\* Gandhi, M. K., *Constructive Programme*, pp. 11-12.

† Gandhi, M. K., *Rebuilding Our Villages*, p. 33.

‡ *Ibid.*, p. 21.

§ Gandhi, M. K., *Constructive Programme*, p. 24.

For the propagation of this new ideology of non-violence and peace, a properly conducted journal was indispensable. Writing about *Indian Opinion* in South Africa, Gandhiji had said, "Satyagraha would probably have been impossible without *Indian Opinion*."\* Regarding *Navajivan* and *Young India* which he later edited in India, he opined in 1929 that "both the journals rendered good service to the people in this hour of trial (i.e. of Non-violent Non-co-operation Movement), and did their humble bit towards lightening the tyranny of the (Punjab) martial law."† These and the *Harijan* weeklies which he started in 1933 were a mirror of his non-violent life, in which he expounded the principles and practice of Satyagraha and thus educated the Indian masses into actively participating in the great movement of freedom. In 1929, he created a public trust known as the Navajivan Trust for carrying on the activity of the publication of Sarvodaya literature.

The representatives of the eleven constructive institutions‡ met in March 1948 and decided to federate into Akhil Bharat Sarva Seva Sangh which was to guide and co-ordinate their activities. Later on in the same month, a conference of constructive workers was held at Sevagram near Wardha. It established "the Sarvodaya Samaj to strive towards a society based on truth and non-violence in which there will be no distinction of caste or creed, no opportunity for exploitation and full scope for development both for individuals as well as groups."§ It meets annually to enable members to exchange ideas and experiences regarding the peace activities.

It would thus be seen that along with the stupendous work of organizing and leading, for not less than full three decades, a political movement in the teeth of opposition of one of the greatest empires of the day, Gandhiji was successful in initiating a number of social and economic institutions with a definite view of creating a peaceful social order based on economic justice, economic freedom and absence of exploitation. These

\* Gandhi, M. K., *An Autobiography*, p. 348.

† *Ibid.*, p. 581.

‡ They are: A.I.S.A., A.I.V.I.A., Hindustani Talimi Sangh, Harijan Sevak Sangh, Goseva Sangh, Hindustani Prachar Sabha, Kasturba Gandhi Memorial Trust, Navajivan Trust, Nature Cure Trust, Hindustan Workers' Mazdoor Sangh, and Adim Jati Seva Mandal or Adivasi Workers' Federation.

§ Dhavan, G. N., *The Political Philosophy of Mahatma Gandhi*, pp. 200-01.

institutions, he believed, would pave the way of building up the future India of his dreams. The conception of industrial peace was only a part of this wider social order, and therefore it can be established only after the realization of such peace-based social order.

### NON-POSSESSION

Gandhiji's economic outlook was determined by the ideals of non-possession, non-stealing, bread labour and Swadeshi. As he was essentially a religious man, he had put his economic theory in religious terminology. Non-possession in its absolute sense means a total abolition of private property. But in its relative sense, it connotes a limited possession, "a lawful possession which will command universal and voluntary respect. Such possession will not be tainted. It will not be an insolent demonstration of the inequalities that surround us everywhere."\* Thus it "rules out exploitation, capitalism and zamindari system. The land should belong to the actual cultivator, and no cultivator should have more land than is necessary to support his family on a fair standard of living.... The indispensable, large-scale production should be nationalized and should be managed jointly by the State and the representatives of the workers."† Gandhiji did admit that a certain degree of material comforts is necessary for the spiritual and cultural advancement of man. But "the satisfaction of these needs must not go beyond a certain level; otherwise, it will degenerate into physical and intellectual voluptuousness and hinder the Satyagrahi in his service of humanity."‡

### NON-STEALING

Non-stealing is a corollary of non-possession. It means, "not only, not taking another person's belongings without his permission or knowledge and not appropriating something in the belief that it is nobody's property, but also not receiving something which one does not need, not coveting anybody's belongings, not bothering about things to be acquired in the

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\* *Harijan*, 22-2-'42.

† *Harijan*, 20-4-'40.

‡ *Harijan*, 29-8-'36.

future, plagiarism etc.”§ Gandhiji regarded “all amassing or hoarding of wealth, above and beyond one’s legitimate requirements as theft”.\* In his view, “the rich, moneyed man who made his riches by exploitation or other questionable means, is no less guilty of robbery than the thief who picks a pocket or breaks into a house and commits theft.”\* Love of wealth and love of power are, according to Dr. Gopinath Dhavan, the worst diseases of modern society, which vitiate our entire social, economic and political life, so as to favour the few at the cost of the many.† The right kind of social order, therefore, can be brought into existence only if the exploitation is negatived, or to put it differently, if individual is made sufficiently strong to resist exploitation.

### BREAD LABOUR

The acceptance of bread labour in national economy would ensure due place to the factory labour and agriculturist in the scheme of national reconstruction. At the present moment, both of them are under-dogs, the most exhausted and the most neglected. Gandhiji therefore advised the organization of both on the basis of non-violence which would make the workers and “Kisans Congress-minded and politically conscious”. While discussing the Kisan question with Prof. Ranga, Gandhiji said: “Unless...we work from bottom upward, there will be no Swaraj. The Congress stands for Democratic Kisan Mazdoor Praja Raj not only after Swaraj but before also.”‡ He suggested to Prof. Ranga to “model the Kisan organization after the Ahmedabad Labour Union”.‡ This is the only way in which labourers and Kisans would be able to refuse to be exploited and to become mere pawns in the hands of industrialists, intelligent classes, zamindars and politicians. Industry and agriculture are the important activities in the life of a nation. The awakening of those who work in these fields would effectively restrict the preponderance of the above four classes. Thus the ideal of bread labour would abolish the invidious distinctions

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§ Gandhi, M. K., *From Yeravda Mandir*, pp. 31-35.

\* *Harijan*, 11-8-46.

† Dhavan, G. N., *The Political Philosophy of Mahatma Gandhi*, p. 174.

‡ Bose, Nirmal Kumar, *Studies in Gandhism*, pp. 191-93.

of rank between employers and employees, between zamindars and tenants and between cities and villages.

This ideal naturally connotes the limitation of the use of machinery for the production of the primary needs of man. Gandhiji was not against machinery as such, but he wanted such machinery "as would save individual labour and would lighten the burden of millions of cottages. It must not be allowed to displace necessary human labour. This machinery must be such as the villagers can themselves make and can afford to use."§ In this manner, the ideals of bread labour, non-possession and non-stealing would bring about economic and social equality.

### SWADESHI

Swadeshi is an amplified form of neighbourliness which "demands attention to duties immediate in point of space and time as against remote ones and thus relates the area of a man's direct service to his capacity for knowing, loving and serving."\* It recognizes the "scientific limitation of human capability for service".† It envisages interdependence between man and man which enlarges his personality and helps him to realize self-sufficiency. It enjoins upon man to serve his neighbours and humanity at the same time, "the condition being that the service of the neighbours is in no way selfish or exclusive, i.e. does not in any way involve the exploitation of any other human being."‡

This implies that the Indian economy, when based on bread labour and Swadeshi must imply a definite variety of planning. It must consist of the best utilization of the whole man-power of India for the production of goods out of the raw materials at the very rural centres instead of sending them outside India and rebuying finished articles at high prices. This arrangement would involve re-organization of industries on the basis of decentralization. It does not, however, negate international trade. Gandhiji held that "imports should be limited to things which are necessary for our growth, and exports, to things

§ *Young India*, II, pp. 713, 797; *Harijan*, 29-8-'36.

\* Dhavan, G. N., *The Political Philosophy of Mahatma Gandhi*, p. 320.

† *Harijan*, 23-3-'47.



of real benefit to foreigners".‡ This alone is the right kind of production organization which would negate the evils of industrialism like greed, competition, exploitation, imperialism and war. Swadeshi permits exchange of goods between nations only when it is for mutual benefit. While dilating upon this doctrine, Gandhiji wrote:

Any article is Swadeshi if it subserves the interests of the millions, even though the capital and talents are foreign but under effective Indian control. Thus Khadi of the definition of the A.I.S.A. would be true Swadeshi even though the capital may be all foreign and there may be western specialists employed by the Indian Board. Conversely, Bata's rubber or other shoes would be foreign, though the labour employed may be all Indian, and the capital also found by India....The Bata shoe will mean the death of our village shoe-maker and tanner.§

In this manner, Swadeshi is conceived in terms of the interests of the majority who are at present being exploited. But it does not at the same time ignore the legitimate interests of the few who are parasitic today. It enjoins sacrifice and service on the part of all the component units for the benefit of the whole. "The logical conclusion of self-sacrifice is that the individual sacrificed himself for the community, the community sacrificed itself for the district, the district for the province, the province for the nation, and the nation for the world."¶

### Trusteeship

The above-mentioned fourfold programme of Gandhiji which has been intended to bring about economic and social equality can be expressed in one word "Trusteeship". Gandhiji's invitation to the capitalists to be the "Trustees" of their capital for the welfare of the community has excited doubt and even ridicule. Let us, therefore, examine what the capitalist ownership is before we discuss the Gandhian trustee.

The essence of the capitalist ownership is:

1. Subject to the State laws of taxation, the capitalist would retain all the profits of his enterprise.

‡ *Young India*, II, p. 797.

§ *Harijan*, 25-2-'39.

¶ *Speeches and Writings of Mahatma Gandhi*, p. 281.

2. He would undertake any enterprise he likes, irrespective of the fact whether it constitutes a social necessity or is conducive to social welfare.

3. In the process of production, he would possess what is called "freedom of contract" which might not have any relevance either to the merit of the employee, or to his needs and his wages.

4. With economic prosperity, social status and political power become additional acquisitions.\*

These, in short, are the implications of the capitalistic ownership.

Our ancient scriptures seem to be alive to the danger of the concentration of ill-gotten wealth. Manu Smriti has issued the following warning to such possessors:

अधर्मेणैव धनं ततो भद्राणि पश्यति ।

ततः सपत्नान् जयति समूलस्तु विनश्यति ॥ ४.१७४

(One who prospers by irreligion, might see many benefits, and might vanquish his opponents. But he perishes wholly.)

The communist formula is the expropriation of all private property by the State, which itself becomes capitalist after the act of expropriation. Gandhiji's conception of trusteeship implies that the owners of property should be allowed to retain the property, but should be persuaded by moral suasion plus State pressure to function in the interest of the community.† Dispossession not only antagonizes the erstwhile capitalist but deprives the community of the benefits of his experience and ability. Thus trusteeship is an "attempt to secure best use of property for the people by competent hands. . . . A trustee can use his talents not for self only but for the social structure of which he is but a part and on whose sufferance he lives"‡. According to Acharya Vinoba Bhave, "whatever talents, physical strength, wealth or other capacities a person might possess, he should take them as having been given to him as a trustee for the benefit of the world."§ In the view of

\* Prof. Dantawala, M. L., *Gandhism Reconsidered*, p. 36.

† Masani, M. R., *Socialism Reconsidered*, p. 64.

‡ *Harijan*, 20-2-'37; *Harijan*, 2-8-'42.

§ Mashruwala, K. G., *Gandhi and Marx*, Introduction, p. 25.

Shree Mashruwala, not only the rich but all the men are trustees. Men should "regard themselves as trustees of that which is vested in them, whether it be property, authority, office, learning, technical knowledge, muscular energy, or guardianship of children, invalids, prisoners, or other dependants".\*

### State Pressure

The State pressure, mentioned above, should be examined in a little detail. The doctrine of trusteeship has been devised to avoid confiscation. Gandhiji wrote: "It is to avoid confiscation that the doctrine of trusteeship came into play, retaining for the society the ability of the original owner in his own right."† But if these owners fail to rise to the occasion, "no matter what interests are concerned, they will be dispossessed, and they will be dispossessed without any compensation".‡ Gandhiji visualized a system of trusteeship regulated by the State.§ "In a State built on the basis of non-violence, the commission of the trustees will be regulated."\* Thus a trustee is allowed to continue in possession only on condition that he would use the property for the benefit and profit of the whole community. Is this not a clean repudiation of the entire capitalistic conception of property? Is this not a "defunctioning" of the capitalist?

By implication, the capitalist or the industrialist under the scheme of trusteeship is required to do the following:

(a) He must produce the quantity and quality of goods which the State wants.

(b) He must pay his workers as the State desires.

(c) He must sell the goods at prices fixed by the State.†

It is the historical inevitability that has dictated the above limitations of the capitalistic ventures. These are meant to bring about class-collaboration in place of class-war. But if these are not accepted, abolition of private property becomes a certainty, because the scheme of trusteeship is only one last chance offered to the wealthy class to realize their duty by the poor.

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\* Mashruwala, K. G., *Gandhi and Marx*, p. 68.

† *Harijan*, 16-2-'47.

‡ Gandhi, M. K., *The Nation's Voice*, p. 71.

§ Bose, Nirmal Kumar, *Studies in Gandhism*, p. 79.

\* *Harijan*, 12-4-'42.

† Masani, M. R., *Socialism Reconsidered*, p. 65.

If they fail to change their ways, dispossession is bound to come. But in a non-violent revolution, power is not 'seized' but it gradually accrues to the people. So the deposition, if it becomes inevitable, will be enforced with the sanction of the people. As Prof. Dantawala has put it, "The technique which announces *a priori* expropriation gives an invitation for the organization of counter-revolution. With the Gandhian technique (of trusteeship) the work of post-revolution reconstruction is made easier."<sup>‡</sup>

### Peace-based Reconstruction

Gandhiji had given us norms of non-violence on the basis of which future work of national reconstruction has been made easier. After independence, the people naturally voted the Congress Party leaders like Dr. Rajendra Prasad, Sardar Patel, Pandit Jawaharlal Nehru, Shree C. Rajagopalachari, and others in Governmental positions. Thanks to their efficient administration, the nation has been able to forge sufficiently strong instruments and institutions for building up a democratic and peace-building State.

The Satyagraha movement emancipated only that part of India which was under the British rule. But what about that part which was known as Princely India? It was Sardar Patel who accomplished the difficult task of integrating the Indian States with the Indian Union during the first two years through peaceful methods. In this manner the whole of India was free by the end of 1949. This was the second step in the peace-based reconstruction.

The Constituent Assembly which represented the third step was the first democratic institution which constituted our land and people into a Sovereign Democratic Republic in which every citizen and class without any discrimination of any kind whatsoever could equally share the political power, economic opportunities, and cultural advantages. The President Dr. Rajendra Prasad, has described the achievement as follows:

In the history of mankind and nations, hardly a parallel can be found where the State power and economic and cultural opportunities were made equally available to all individuals, classes, creeds and sexes

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<sup>‡</sup> *Gandhism Reconsidered*, p. 40.

without prolonged struggle, bitterness and bloodshed and indeed with eager willingness as has been done in our land.”§

General elections on adult franchise (1952) on such a vast scale represented the first experiment of its kind in the whole world. Indeed, it was a test of our political wisdom, administrative efficiency, and loyalty to democratic ideals. The enthusiasm which the elections excited even in the remotest corners of our country and the peaceful way in which vast crowds participated in voting served as an index of people's determination to vote only for that party to power, pledged to govern on the basis of peace and national solidarity. It was the fourth stage in our progress. As Acharya Vinoba has said:

We believe that in a country like India and in a democratic set-up of government, it is quite possible to bring about a revolution through the ballot-box without resorting to violence.\*

After the establishment of the Governmental machinery on these lines, we commenced a far-reaching revolution in the agrarian system of our country. The zamindars and the jagirdars represented feudalistic relics in that sector. In almost all the States of the country, the zamindari and jagirdari systems have been, or are being abolished by suitable legislations of the State Assemblies. The State Governments have been busy taking steps to acquire the zamindaris and to distribute the lands among the landless tillers. This is a very important fifth step taken in terms of non-violence.

### Suasion v. Coercion

The ethical side of this measure should be examined. The critic might put a poser: Is this not State coercion? Is there any room for moral suasion? Can this step be called peaceful?

Since the time Gandhiji returned to India, he had been carrying on an incessant propaganda in favour of equitable distribution of wealth. “A non-violent system of Government is clearly an impossibility,” he wrote, “so long as the wide gulf between the rich and the hungry millions persists.”¶ If after nearly four decades, the wealthy classes refuse to see the obvious and continue still to possess hundreds and thousands

§ *The Times of India*, 26-1-53.

\* Mashruwala, K. G., *Gandhi and Marx*, Introduction, p. 13.

¶ *Constructive Programme*, p. 18.

of acres of land when their tenants who till them from generation to generation, are required to live on starvation rations, what should be the duty of the State? Should it wait till the change of heart takes place in the Zamindars or should it dispossess them on the strength of legislation passed by the people's representatives?

### Bhoodan Yajna

Acharya Vinoba's Bhoodan Yajna needs a special mention in this connection. He is one of the closest associates of Mahatma Gandhi who selected him as the first Satyagrahi in the individual Satyagraha of 1940. A thin, frail figure, clad only in loin cloth, the Acharya trudges on since 1951 from village to village asking for land gifts for the landless. He argues that the economic revolution should be based on self-sacrifice and not on the text-book maxims of Communism. In answer to a question he said, "I am creating an atmosphere which will facilitate a fairer distribution of wealth in the absence of which law has to depend entirely on the military and the police."† On the strength of sheer persuasion and appeal, he has been able to collect from the middle of April 1951 till November 1956, voluntary land-donations of more than 42 lakhs of acres, out of which nearly 5 lakhs were already distributed. 2,512 village-donations (donations of whole villages) and money-donations of Rs. 60,000 for distribution to the landless.‡

"Land distribution," Vinoba spoke in one meeting, "is the first step towards the economic revolution."§ In one of his addresses to the rich, he declared, "I am your greatest friend. I have come to give you life in return for your land. You should realize that the rich are being hated everywhere in the world."§ Regarding compensation, he spoke in another place, "The Constitution stipulates payment of compensation. But what compensation will have to be paid to those who have all along owned as much as ten thousand acres of land? They have recovered enough return from land. But they too are our countrymen and we cannot be indifferent to their means of livelihood."§ The movement represents a peaceful revolution

† *Hindustan Standard*, 6-3-'53.

‡ *Sarvodaya*, Tanjore, Nov. 1956.

§ *Harijan*, 23-8-'52.

towards economic equality in agricultural sector. The idea has naturally extended to the industrial sector also, and it is becoming increasingly clear that the peaceful solution of the problem in that sector lies only in the industrialists getting ready to share a part of their power and profits with their workers.

## Two Five-Year Plans

The next most important step in the peaceful national reconstruction work is the First Five-Year Plan initiated by our Government by the end of 1952. While commending the Plan to the House of the People, Pandit Nehru, the Prime Minister, said in part:

This is the first attempt in India to bring this whole picture of India—agricultural, industrial, social etc. into one framework of thinking.... Ultimately we want not merely more production, but we want better human beings with greater opportunities, not only economic and the rest but at other levels also.... You have to do all this within the framework of political democracy, which must rapidly lead to economic democracy and develop into a classless society.... It is clear that you cannot approach that by way of conflict and violence.... The method of peaceful reconstruction is a method ultimately of democratic progress. §

The Second Five-Year Plan has laid down more clearly the implications of peace and social justice in terms of economic equality. It states:

These values or basic objectives have recently been summed up in the phrase "socialistic pattern of society". Essentially, this means that the basic criterion for determining the lines of advance must not be private profit, but social gain, and that the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increases in national income and employment but also in greater equality in incomes and wealth.\*

With a view to further the development of this democratic progress and to carry to agriculturists the latest researches of science and technology, the first instalment of 55 Community Projects was launched on 2-10-'52. By the end of the current year (1956), the work of 622 Community Development Blocks and 8,53 National Extension Service Blocks in all, would have

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§ *The Hindustan Times*, 17-12-'52.

\* *Second Five-Year Plan*, p. 22.

been begun. The number of villages and the population covered till the 1st of November, 1956 were 1,92,563 and 110.3 millions respectively. By the end of the Second Plan, 1,120 Community Development Blocks and 3,800 National Extension Service Blocks would be in operation and the whole of the rural India would be covered. This is a definite further step towards building up a peaceful reconstruction. The plan when it would completely be worked out, "would have beneficially transformed the life of our people to no less a degree than any other revolution ever did in any part of the world."<sup>¶</sup>

### Way of Peace

Owing to rapidly advancing scientific discoveries and communications, the world is coming closer day by day. In olden times, nationalism alone influenced the decisions of nations irrespective of any altruistic ideology. The Russian Revolution shunted off nationalism, and we have started after the last war to talk of the world in terms of two blocs—democratic and communist. Slowly but surely, not certainly out of altruistic considerations but by the sheer logic of circumstances, the nations are veering round to the way of peace. As the President Dr. Rajendra Prasad has put it:

We do believe that the world has reached a stage in its economic and cultural development where differences between nations can and should be solved by peaceful negotiations and where war would prove disastrous to all. It is with this belief in peace and goodwill to other peoples that we have kept ourselves aloof from all military alignments with any other nation or bloc of nations.<sup>†</sup>

Pandit Nehru advocated in the Rajya Sabha the creation of a "third way" of as many countries as possible, who did not wish to encourage any tendency to war, who wished to work for peace and who did not wish to line up with any bloc.<sup>‡</sup> In Acharya Vinoba's view also, India can ill-afford to associate herself with any bloc which believes in violence. Her place is in a third bloc which has non-violence and love as its creed.<sup>§</sup>

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<sup>¶</sup> Dr. Rajendra Prasad, Address on Republic Day, *The Times of India*, 26-1-'53.

<sup>†</sup> *Ibid.*

<sup>‡</sup> *The Times of India*, 17-2-'53.

<sup>§</sup> *Hindustan Standard*, 8-3-'53.



The future structure of our industrial sector also, therefore, should be in conformity with these institutions and instruments of peace forged by our Union. A new peace philosophy is being evolved, based on firstly, the Avadi resolution of the Indian National Congress, proclaiming India's ideal to work for the achievement of a socialistic pattern of society, and secondly, on the working formulas suggested in this behalf by the Taxation Enquiry Commission. That alone would ensure in future peaceful industrial relations on the permanent basis.

## CHAPTER IX

### PEACE-BASED INDUSTRIAL STRUCTURE

My faith in India's ability to solve the economic problem that faces her millions has never been so bright as it is today.\*

—Mahatma Gandhi

#### Static Economy

Industrial Revolution of the 18th and 19th centuries gave rise to the capitalist economy where the control over instruments of production i.e. over the machines, the raw materials and the working-men remained in the hands of a few individuals or groups owning the instruments. This brought in the hands of the owning few capitalists concentration of wealth and power. The tragedy was that within the framework of apparent political freedom, economic security and the personal development of man were slowly and invisibly destroyed by the effects of the constantly swelling concentrations. The man rose in rebellion against this enslavement, suffered untold hardships and succeeded ultimately in creating a different social order as in Soviet Russia wherein the instruments of production were collectivized under the ownership of the State. This social order implied reliance on the State for carrying out all plans and satisfying all needs of its citizens. The Communism of Russia, the Socialism of England, and the Fascism of Germany and Italy subscribed to this conception of the role of the State. But no ideology tackled the problems of the individual man—his needs, his aspirations and his opportunities.

But the spirit in man is ever dynamic and it drives him to

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\* *Young India*, 6-8-'25.

seek ways out of difficulties. He has seen that the centralization in all these economies has throttled his individuality and his peace. The centralization is due to the concentration of wealth and power. In America there is the concentration of wealth on the strength of which political power is controlled. In Russia, they produce wealth in a concentrated form and then distribute it through the Government. There the danger lies in the concentration of power. Whether it is the concentration of wealth or of power, both are evils, because they tend to neutralize man who alone is able to create them. As Mr. R. H. Tawney has described:

In an industrial society the tendency of economic power is not to be dispersed among numerous small centres of energy, but to be massed in blocks. Lord Melchett smiles, and there is sunshine in ten thousand homes. Mr. Morgan frowns and the population of two continents is plunged in gloom.‡

### Decentralized Economy

In opposition to the two concentrations under the influence of the centralized economy described above, a third variety has lately emerged in the field. Let us call it decentralized economy. It is decentralized because it aspires to decentralize wealth and power, so that both may flow freely to the common man. It is a dispersive process, a spreading out from centre; a spreading out of ownership of property among more and more people; the spreading out of Government. The rigidity, fossilization, regimentation in the above two economies are absent in this variety. It, therefore, offers better chances to the people to realize enduring peace.

Before we discuss the peace-based industrial structure suited to Indian environments, we should do well to take a rapid view of the two experiments carried on by other nations on the basis of the decentralized economy. Decentralized economy is effected in two ways:

- (1) decentralization of industries, and
- (2) nationalization of industries.

### The Swedish Experiment

Mr. Thomas Hewes defines decentralization as follows:

To disperse and distribute what has been concentrated is decentralization....Industry should be distributed geographically, so that people

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‡ *Equality*, p. 233.

will find joint opportunity for work and for a full life....We believe that workers should be given opportunity to own all or part of the business in which they are engaged....We believe that our own Government, as far as possible, must be returned to the neighbourhoods, the towns, and states of the nation, so that each citizen and each family may share in, and understand, the responsibilities and advantages of active democracy.‡

The experiment of decentralization is being carried on in Sweden. According to Mr. M. W. Childs, Sweden is almost the only country in the world which has found out and has taken to a fairly well-defined middle course between the absolute socialization of Russia and the capitalism of America. He writes:

The State, the consumer and the producer have intervened in a "reasonable" way for the greatest good of the whole nation. This has been done through State ownership, and State competition, consumers' co-operation, producers' co-operation and a strong, all-inclusive labour-movement.\*

It is said that the Swedish are pragmatists, not bound by any system but interested only in the workability of the social order. They have not hesitated to curtail or abolish profits, or a private business, when a desired change made this necessary. Thus private wholesale trade in tobacco was abolished to furnish funds for starting the old age pension system. Thus the capitalists have been compelled to yield and to compromise.

The first Swedish characteristic is its underlying sense of justice which seems to be a real factor in many relationships. The other is a regard for the wellbeing of the land, for the natural balance of air, earth and water *plus* people dependent upon these elements. This process takes so many interesting forms. By means of these orderly and lawful forms, the labour-farmer Government extends the machine civilization to the whole population. There are proportionately more telephones, more electrical devices, more bathrooms in Stockholm than in any other European country. The rural areas are more completely electrified than anywhere else in the world. But the machine is not the master. These social and economic forms have helped to create a homogeneous atmosphere with far less conflict than in the rest of the world. There has been an opportunity for evolution for the common man because the evolution

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‡ *Decentralize for Liberty*, pp. 26-27.

\* *Sweden—The Middle Way*, pp. 160-61.

has been made possible through the process of compromise and adjustment. The Government has so skilfully organized the economic life of the people that there is practically no unemployment. Each man has his job and he works at it, seriously and conscientiously. If a man did his work for six days in a week, the seventh day was his to do what he liked, for he is regarded to have fulfilled his duty by his motherland. The American author, Mr. Childs, who visited the country in 1947, has noted that through current control, the Government has been able to keep the prices at a level more than 7 per cent under that of 1929.

The experiment of Sweden as has been described above seems to be encouraging. It has given a definite direction where the economic and political life of a country can be organized in a peaceful way. Capitalism, if it shows adequate realization of the changing times, must compromise and adjust and function on terms of and in co-operation with democracy. Communism does not thrive in Sweden, because as the Swedish say, "we have not slums, because we do not have the slum-mind."¶

### Nationalization

Nationalization is another way of extinguishing proprietary rights of the capitalists for the benefit of the nation. It is the method of removing industry from the control of the private industry-owner and putting it under the control of the State. "Properly conceived, its object is not to establish the State management of industry, but to remove the dead hand of private ownership, when the private ownership has ceased to perform any positive function."‡ In the opinion of Tawney, there are, in theory, six ways and means by which the control of the industry by the industry-owners can be terminated. They are as under:

1. The owners may be expropriated without compensation. The seizure of ecclesiastical property by the ruling classes of England, Scotland and most other Protestant States can be cited as an instance to the point.

2. They may voluntarily surrender it. This may happen either through the foresight of the owners or the

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¶ *Sweden—The Middle Way*, pp. 161-79.

‡ Tawney, R. H., *The Acquisitive Society*, p. 119.

change of heart brought about under the influence of some moral authority or through both. Acharya Vinoba's Bhoodan Movement represents the second method.

3. The owners may be frozen out by action on the part of the workers who undertake the function of production without their assistance. Post-revolutionary reconstruction work in Russia was mostly on these lines.

4. The owners' place may be taken by associations of consumers which vest both the ultimate control and the residuary profits in those who use the service or purchase the goods. This method of treating the capitalists is followed by the co-operative movement mostly in the Scandinavian countries.

5. The proprietary interest may be limited or attenuated to such a degree that they become mere rentiers, and are guaranteed a fixed payment analogous to that of the debenture-holder; but they receive no profits and bear no responsibility for the organization of the industry. This method was recommended by the committee of the employers and trade unionists in the building industry in England some years ago. The committee proposed that employers should be paid a fixed salary and a fixed rate of interest on their capital, but that all surplus profits should be pooled and administered by a central body representing employers and workers.

6. The owners may be bought out. This method has been practised by municipalities and somewhat also by national governments.<sup>‡</sup>

It would be seen that the communist Russia had followed more or less the first and the third ways of liquidating Capitalism, while the fourth and the sixth ones are being practised by the Scandinavian nations. England is mostly evolving its future industrial set-up on the lines of nationalization.

### Nationalization in Britain

The Labour Party in Britain gave a surprise defeat to the Conservative Party in 1945 and came to power. As a part of its planned economy on democratic lines, it started the nationalization programme beginning with the railways and

<sup>‡</sup> Tawney, R. H., *The Acquisitive Society*, pp. 118-19.

their ancillary industries. This was followed by the socialization of other Transport Services such as Tramway, Harbour, River, Canal Services etc. and of B.B.C., Cables and Civil Aviation in the following years. The year 1947 saw the nationalization of Coal Mining, Gas, Water, Electricity, Pig Iron, Smelting. According to an estimate made in 1950, the total number of workers employed by public concerns was 60.40,194 i.e. 30 per cent of the total labour strength of Britain which is roughly 2 crores.§

Since 1906, the question of nationalizing land is being discussed. The demand for the nationalization of the Industrial Insurance, Chemicals, Motor Car and Machine Tool industries and even of Drainage were under consideration by the Labour Party. Drink Trade is always a thriving concern in England. It came very near to being taken over by the then Prime Minister Lloyd George in 1917, but strange as it may seem, the scheme was turned down by the "unholy alliance of the brewers and the teetotallers".\*

This was what the Labour Party had intended to do and they actually carried out a major part of this programme when they were in power. Nationalization alone made available substantial amounts to the governing party for the utilization of the social services on an extensive scale. Private Capitalism had demonstrably failed to take note of and provide these urgent social needs. As Mr. A. Bevan has put it, "the propulsions of private economic adventures had lost their force and public intervention at one point after another alone served to protect them from the industrial lethargy which had overtaken vital areas of their economy."†

What, then, are the achievements of nationalization? It could bring to the extent the programme was put into operation, social equality in the sense of equality of opportunity. The Labourites hold that "it is the duty of the community to do its best so as to organize its education, its health and its other services as to neutralize the natural inequalities as far as possible."‡ Nationalization of industries is one of the peaceful ways of transferring private accumulations of wealth to the Public

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§ Parker, John, *Labour Marches On*, p. 68.

\* *Ibid.*, p. 151.

† *In Place of War*, p. 72.

‡ Parker, John, *Labour Marches On*, p. 201.

Exchequer for the benefit of the community. In this manner, both the above methods of decentralization and nationalization of industries represent economic approaches in which industrial peace can be brought into being.

### Characteristics of Peace-based Economy

The important common points in the two economic orders described above may be noted. They are:

1. Revolutionary change in the idea of private property;
2. Socialization or division of property on peaceful lines; and
3. Economic freedom to the individual to develop his own personality.

The otherwise sure occurrence of a violent revolution can be avoided only if we succeed in developing an industrial structure which "would afford opportunities for full employment of a kind which could draw out the best in every individual, in the service of the community and for the highest development of his or her personality".§ In the view of Prof. Cole, we should "resort to a form of planned economy which will take as the guiding principles of its activity, the full utilization of the available productive resources and the planned distribution of incomes so as to promote the standards of consumption most consistent with common welfare."\* Mr. Aldous Huxley's criterion of good planning is, "whether it will help to transform the society to which it is applied into a just, peaceful, moral and intellectually progressive community of non-attached and responsible men and women."† The Advisory Planning Board constituted by the Government of India on the 26th October 1946, stated that "the attainment of this objective requires that the resources of the country should be developed to the maximum extent possible and that the wealth produced should be distributed in an equitable manner."‡ This objective can be realized only when "economic life would be progressively revolutionized to secure employment and a fair standard of

§ A. I. C. C., *Report of the Economic Programme Committee*, p. 43.

\* *Principles of Economic Planning*, p. 406.

† *Ends and Means*, p. 32.

‡ Quoted in *Economic Freedom and Economic Planning*, Editor, Mitra, K., pp. 21, 26.

living to every able-bodied person in the State, gradual equalization of incomes by fixing the minimum and the maximum limits, elimination of exploitation and monopoly interests of every description.”‡

The first essential of a peace-based economy is that the primary necessities of life, which are food, clothing and shelter should never be the objects of large-scale production. The means of producing these should remain in the control of the individual and “should be freely available as God’s air and water are or ought to be; they should not be made a vehicle of traffic for the exploitation of others.”§ This alone would ensure the economic freedom of the common people and would put them at a safe distance from the circle of the exploiting industrialism and its ups and downs.

### The Middle Way

The industrial sector plays a major part in the economic life of a nation. Its economic life can be reconstructed only when its industries are organized on the required lines. The question now is, of what kind would our future industrial organization be? What would be its economic basis? Should it be a capitalistic economy or a communistic one?

Our reply is that it should be a “third way” or a “middle way” which combines the advantages of both the extremes without incurring their disadvantages. Pandit Nehru has called it the “mixed economy” where there is not “any conflict between big industries and village industries.... The need for big industries is there, and those industries must be State-owned and State-controlled. This need must be co-ordinated with the development of small industries.”\*

### Mixed Economy

Mixed economy is generally defined as an economy where some industries are nationalized and the others are in private hands. But the term has been used here in a different sense. It is here defined as an economy which co-ordinates the economies of large-scale, heavy industries, both nationalized and

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‡ Quoted in *Economic Freedom and Economic Planning*, Editor, Mitra, K., pp. 21, 26.

§ *Young India*, III, p. 924.

\* *Harijan*, 21-2-53.



privately owned, and the economy of small-scale cottage industries. This economy envisages the running of these three sectors side by side with each other without collision. Large-scale industries have obvious superior advantages. They have big machines, much wealth, almost unlimited man-power, a huge army of experts and technicians ready to negate any competition. The small-scale industries have no such advantages. They are worked slowly with small village-made instruments, have no capital nor man-power beyond a family. But this economy has the supreme advantage of eminently fitting into the cultural, psychological and social environment of the average man. The average man being the prop of the State, it is the duty of the State to give priority to his interests over those of the capitalists. This can be done by demarcating as clearly as possible the respective spheres of large-scale and small-scale industries. Where a small-scale industry operates in the same field as large-scale mechanized industry, it should be protected from the competition of the latter by subsidies, some method of price equalization and by demarcating the varieties of their production.

Let us take, for instance, the textile industry. This and the Khadi industry supply the cloth needs of the country and are regarded as competitors. In the mixed economy of our conception, their claims can be harmonized by limiting the production of the mills to only finer counts and by reserving the coarse production for the Khadi organizations. As Gandhiji had suggested in 1928:

They (mills) can help the Foreign Cloth Boycott Movement by refraining from manufacturing those varieties that can be easily and immediately produced by Khadi organizations, thus freeing their energy for manufacturing more of the varieties they can at the present moment manufacture more easily than the Khadi organizations.†

### Place of Decentralization in Mixed Economy

The idea of co-ordinating big and small industries might appear impossible to some people. The reason is that the small industries are regarded to have been restricted to the use only of human power. This is not right. They can be worked by hydraulic or electric powers, and in that event, their productive

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† *Young India*, 15-3-28.

capacity can be enhanced in a very great measure. In fact, splitting of some big industries into small units is reckoned as the latest process of industrialism. "There is no point," declared Henry Ford, "in centralizing manufacturing unless it results in economies. A product that is used all over the country ought to be made all over the country in order to distribute buying power more evenly."‡ In Japan, large sectors of industrial development are covered by small units of production spread all over the country making standardized parts. These parts are carried to the bigger factory where they are assembled into finished products. It is reported that in that country "over half the industrial workers work in units engaging less than five workers, while no less than seventy per cent are engaged in workshops with under 50 workers each."§ In Switzerland, the watch industry is decentralized in the same fashion and is working smoothly and "there is not a single strike in this industry for the last many years."\*

In the earlier stages of Industrial Revolution, the location of industries was largely determined by the availability of coal. But the scientific researches have made electric power derivable from a variety of things, e.g. from water-falls, flowing rivers and even the tides of the sea, and it can now be carried to over long distances. Such water power is now available and is being harnessed at many places in Asiatic countries and in Africa. The irrigation projects started by our Government in many provinces will place in our hands such water power. Besides, our country has been surrounded by sea on three sides and its tides, if tapped, would also be helpful in the generation of electricity. In this manner, the harnessing of electric power would greatly facilitate the decentralization of industries.

These would serve as a few illustrations to show how both the economies can be balanced. The Government should offer more protection to the small industries by ensuring regular supply of raw materials, bulk purchases, cheap credit and orderly marketing as also by organizing industrial and producers' co-operatives.

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‡ Quoted in M. R. Masani's *Co-operatives in a Planned Economy*, p. 11.

§ *Ibid.*, p. 12.

\* *The Indian Worker*, 7-3-'53.

## Place of Nationalization in Mixed Economy

Nationalization is of two kinds: State-owned and State-controlled. In the first kind, the Government takes over the industry from private ownership and carries on its administration with the help of its bureaucracy. In the second kind, it does not actually take possession of the industry, but merely controls the main springs of its economic policy and power so as to make it subserve the public good. The railways, for instance, are nationalized. This is a nationalization of the first kind. The textile industry is at present a private industry but if its economic strings are controlled by the State, that is to say, if the State regulates its profits by diverting the surplus for various services in the interest of labour and of the community at large, the industry becomes as good as State-owned. Mr. J. A. Hobson has propounded the same view. He wrote:

The State's part in the new government of industry would be to assist in securing a subsistence wage for labour and capital, to remove either by preventive methods, or taxation, those surplus profits, which are the bone of contention between capital and labour...to utilize them for social services...and to provide pacific modes of settlement for such disputes as might continue to arise.<sup>†</sup>

This illustrates nationalization which is State-controlled.

## State-owned Nationalization

Nationalization which means change of administering hands does not necessarily ensure the interests of the masses. As Shree J. C. Kumarappa wrote:

Nationalization presupposes that real power rests with the people, i.e. with the masses....When the Government of the land is in the hands of such tried patriots, who will be trusted to hold the interests of the millions as their first care, then alone nationalization will ensure the interests of the masses....In their absence, it may lead to great exploitation of the "haves-nots" by the "haves".<sup>‡</sup>

The idea behind nationalization is to transfer the industry, its management and its profits from the private ownership to the State control. It is believed that this transfer would improve the management and would put a substantial part of the profits into the pockets of the workers. This would correct social

<sup>†</sup> Hobson, J. A., *The Conditions of Industrial Peace*, pp. 102-03.

<sup>‡</sup> *The Economics of Peace*, Edited by S. K. George and G. Ramachandran, pp. 89-90.

injustice and would do away with gross inequalities of wealth; it would give workers a higher incentive and would improve the conditions of work. This would result, it is expected, in industrial goodwill and peace, and would rescue the workers from their subhuman status.

But the experience of nationalization has its own risks. Mr. Edward Goodman is rather critical about this new economic development, as he sees it in England. According to him, it has indeed abolished the dividend-drawing shareholder who has now been substituted by the interest-receiving Government stock-holder. This leaves virtually unaffected the difference between the incomes of the manual worker and the high executive. § In the absence of the private ownership and of the eventual profit motive the erstwhile industrialists might become indifferent to the industrial development and this must spell loss of their expert knowledge, resourcefulness and venturesome spirit to the nation. They might naturally hesitate to employ their capital in big industries. These are the possible results of the first variety of nationalization.

### Trusteeship

It is here that Gandhiji's theory of trusteeship offers a solution which comes nearer to the conception of State-controlled nationalization. We say "nearer" advisedly. Because there is a vital difference between the two approaches. The theory of trusteeship postulates an enlightened recognition of the new social need and the required readiness on the side of the private owners to part with their private rights. The conception of State-controlled nationalization connotes the pressure of the State on the privileged classes for sharing their gains with the actual producers. Gandhiji believed that a change of heart was definitely possible in the capitalists and eventually they could be persuaded to voluntarily surrender a part of their gains. He interrogated:

Do you think that the so-called privileged classes are altogether devoid of nationalistic sentiments? If you think so, you will be doing grave injustice to them and disservice to the cause of the masses.\*

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§ Goodman, Edward, *Forms of Public Control & Ownership*, p. 86.

\* *Amrit Bazar Patrika*, 3-8-'34.

At another place he wrote:

The greatest obstacle in the path of non-violence is the presence in our midst of the indigenious interests that have sprung up from the British rule, the interests of moneyed men, speculators, scrip-holders, landholders, factory-owners and the like. I am convinced that the capitalist, like the Japanese Samurai, must voluntarily surrender their superfluities and their blood-stained gains.‡

According to him, this approach would ensure the fruits of expert knowledge and capacity for the good of the society. He stated:

I would allow a man of intellect to earn more, I would not cramp his talent. But the bulk of his greater earnings must be used for the good of the State. They would have their earnings only as trustees.§

A doubt might arise here as to what the position would be if any capitalist would refuse to surrender his superfluities in the interests of the nation. Gandhiji was definite that the State ought to step in and dispossess the recalcitrant possessor. He declared in the Round Table Conference held in London in 1931:

If they (the moneyed classes) have obtained concessions which have been obtained, because they did some service to the officials of the day and got some miles of land, well, if I had the possession of the Government, I would quickly dispossess them...and they will be dispossessed...without any compensation.§

To sum up, Gandhiji's theory of trusteeship involves three steps which are:

- (1) by persuasion; or
- (2) by State legislation; or
- (3) by dispossession and nationalization.

It would be by far the best if the capitalists can be persuaded to raise their workers to the status of co-proprietors of their industries. If they do not do so, the State would intervene and control their industries by means of various taxations and regulations with a view to keep the disparity between their

‡ *Young India*, 5-12-'29 and 6-2-'30.

§ *Young India*, 26-11-'31.

§ *The Nation's Voice*, p. 71.

CF. "If the capitalists did not accept the new basis of ownership voluntarily, or if they proved impervious to reason, the weapon of non-violent non-co-operation would be brought into play."—Pyarelal, *Gandhian Techniques in the Modern World*, pp. 30-31.

and the workers' incomes within proper limits.\* But if the moneyed classes shirk their responsibilities and try to outwit the State, the State is in duty bound to liquidate and nationalize their industries.

### Equitable Distribution

One of the important causes of the industrial distemper is the unequal distribution of wealth. Conversely put, equitable distribution of wealth, or in other words, economic freedom or equality of opportunities is the key to social happiness.† General Smuts after quoting the Declaration of Pericles that "happiness is freedom and freedom is courage" adds that this is the fundamental equation of all politics and all human government; and any system which ignores it is built on sand.‡ Mr. W. Stark pointedly defined the economic content of freedom when he wrote:

Freedom includes freedom of ascent, freedom of descent in equality. ... Only full equality of opportunity will engender the highest sum total of happiness conceivable. Equality is, therefore, an important condition of social felicity.‡

The modern conception of economic freedom is freedom from insecurity, want, disease, squalor, ignorance and enforced idleness. This can be achieved only when the distribution is in accordance with the maximum utility of consumption, i.e. according to needs. The peaceful industrial set-up of our conception should be of a kind which would facilitate equitable distribution.

### Economic Disparity

The present distribution is not according to needs but according to economic strength of the respective claimants.

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\* Cf. "You (Pandit Nehru) are of the view that it would do no harm if some industries are left in private hands, provided that the main springs of economic policy and power are in the hands of the State and they are made to subserve the public good. I agree."—Jaiprakash Narayan to Pandit Nehru, *Tribune*, 20-3-53.

† Cf. "Equal opportunities are not only necessary to satisfy the individual member's demand for social status. They are equally necessary for the enterprisers' efficiency, function and cohesion."—Drucker, P. E., *The New Society*, p. 147.

‡ *Freedom*, p. 33.

‡ *The Ideal Foundations of Economic Thought*, p. 188.

Those who vociferate most are able to snatch the most. This can be seen from the following table:

### Income Distribution for India

Range of Incomes per year	No. of Income	Total Incomes	No. of Incomes	Total Income
	— 1938 —		— 1948 —	
Rs.	Rs. millions		Rs. millions	
Up to 4,999	1,82,234	505	2,61,122	818
5,000 to 9,999	55,038	312	1,12,763	798
10,000 to 14,999	16,913	151	38,692	471
15,000 to 24,999	10,691	144	25,902	495
25,000 to 49,999	5,622	115	15,226	607
50,000 to 99,999	1,091	70	4,922	376
1,00,000 & over	436	91	2,452	594§

This shows that "incomes over Rs. 25,000 that formed 2.5 per cent of total incomes, paying a tax, have *increased* to 5 and their share in income has *risen* from 20 to 38 per cent. India has moved, in the last decade, in the direction of widening disparity of incomes."\* In contrast to these figures, let us examine the income figures of the United Kingdom:

### Income Distribution for United Kingdom

Range of Incomes Per year	No. of Incomes	Total Income	No. of Incomes	Total Income
£	— 1938 —	£ millions	— 1948 —	£ millions
Under 250		2,467		2,439
251 - 499	20,00,000	679	86,50,000	2,929
500 - 999	6,70,000	455	22,95,000	1,519
1000 - 1,999	2,24,000	304	5,45,000	730
2000 - 9,999	98,000	360	2,09,000	729
10,000 & over	8,000	175	11,000	195†

§ Mehta, Asoka, *Democratic Socialism*, p. 178.

\* *Ibid.*

† *Ibid.*, p. 177.

During the period under review the number of income-tax payers has increased fourfold. The percentage of the number of persons earning £ 2000 a year or more has *dropped* from 3.5 to 2 and their share in the total income has *declined* from 12.5 to 10.8 per cent. In this manner, there has been a perceptible flattening of the pyramid of the distribution of the national income.†

Let us further examine the question in income disparity in another way. Below is the table of incomes of different categories of earners in some of the nations of the world:

Figures in Rupees (Annual)

S. Country No.	National Income per capita 1	Wages of urban unskilled labour 2	Lowest clerical salary 3	Highest admini- strative salary 4	Proportion between		
					1&4	2&4	3&4
1. S. Africa	-	-	1,866	21,333	-	-	1:11
2. United Kingdom	1,240	1,333	1,266	40,000	1:32	1:30	1:32
3. Canada	1,420	2,620	1,650	27,400	1:19	1:10	1:17
4. U. S. A.	1,850	2,950	3,125	27,400	1:15	1:9	1:9
5. Germany	520	1,140	1,110	14,960	1:26	1:13	1:13
6. Japan	295	675	650	8,800	1:26	1:13	1:14
7. India	74	240	360	48,000	1:650	1:200	1:133‡

It is true that the figures for India are of pre-independence period; but we have not as yet made any special endeavour towards the levelling up of different incomes. The above figures, therefore, might be taken as substantially showing the correct or the near-correct position.

The study of the above figures shows that while the proportion between the lowest and the highest incomes of all the nations excepting the United Kingdom is below 1:20 and the one of the United Kingdom is 1:32, the same for India is 1:133.

† Mehta, Asoka, *Democratic Socialism*, p. 177.

‡ Harijan, 7-8-'37, Quoted from Gadgil, D. R., *Salaries of Public Officials in India*, 1931.



## Distribution of Surplus

The vital problem in the peaceful industrial relationship, therefore, is the equitable distribution of surplus or profits. There would be three parties claiming their share. They are: employers, employees and consumers. So far as labour is concerned, it has grown politically and economically more conscious since the war years. The modern worker is satisfied neither with a mere living wage, nor even with a reasonable standard of living. He wants a share in the management and ownership of the concern in which he works. This demand should be regarded as the most natural and legitimate reaction of the suppressed worker to the cry of the dictatorship of the proletariat. It is for the employer now to rise to the occasion and change his attitude towards the workers. He should be given a definite share in the dividend. The employer must take labour representatives on the management. This recognition of equal status of labour is the *sine qua non* of equitable distribution.

But it is not unlikely that both the employers and the employees would choose to join hands with a view to exploit the consumers. The industrial surplus, therefore, should be distributed by way of workers' bonus, social services, etc. and cheaper prices for the consumers. Mr. J. A. Hobson is of the opinion that the advisory councils of the industrial corporations should contain representatives of not only the employers and the employees but even of consumers. §

The co-operation of these three parties is of vital importance not only to the invigoration of the industry but also to its direction in the interest of the community. The State steps in only when the three parties are unable to adjust their respective interests amicably.

## The Minimum and the Maximum Incomes

The first target of the peace-based industrial organization is the achievement of a fixed minimum standard in respect of the essentials of physical and social wellbeing of the workers. As Mahatma Gandhi wrote:

Just as it is proposed to fix a decent minimum living wage, even so a limit should be fixed for the maximum income that could be

allowed to any person in society. The difference between such minimum and maximum incomes should be reasonable and equitable and variable from time to time so much so that the tendency would be towards obliteration of the difference.\*

Concretely put, "a monthly income of Rs. 100/- in urban areas would be needed to secure a minimum standard for a family of an average size at the prevailing level of prices. The national minimum may be provided partly as a direct payment and partly in the shape of additional social services on a collective basis."†

Computing liberally on the basis of proportions between the lowest and the highest incomes prevalent in other countries, we feel that on the basis of prevalent prices, the maximum income in India to be fixed up only at its *first* stage should never be more than 20 times the minimum income i.e. not more than Rs. 2000/- per month.‡

Let us compare these figures with the income distributions of industrial cities like Bombay and Warsaw (Poland) :

### Bombay Bank

Grades	Monthly allowance including dearness allowance	Sterling equivalent
	Rs.	£
Managers	2000-5000	150-375
Bank Directors	5000 & over	375 & over
Senior officials	1500-3500	110-280
Junior officials	300 - 900	22 - 66
Skilled workers	100 - 130	8 - 10
Unskilled workers	50 - 70	4 - 5§

\* Quoted in Pyarelal's *Gandhian Techniques in the Modern World*, p. 31.

† All India Congress Committee, *Report of the Economic Programme Committee*, 1948, p. 43.

‡ *Ibid.*, p. 44.

§ Mehta, Asoka, *Democratic Socialism*, p. 179.

### Warsaw Bank (Nationalized)

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Grades	Monthly allowance including dearness allowance
	£
Managers	31-37
Bank Directors	22-25
Senior officials	15
Junior officials	5-8
Skilled workers	10
Unskilled workers	5*

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The lessons are obvious. While the unskilled workers both in Bombay and Warsaw earn the same income, the range of incomes above him are strikingly dissimilar. While the proportion between the bottom and top salaries is 1:7 in Warsaw, it is 1:80 in Bombay. It would, therefore, be admitted that our computation on the basis of 1:20 given above is both fair and generous.

### Return on Capital

Restriction of the maximum income of the employers would leave a large amount at the disposal of the industry. A judicious apportionment of this amount would go a long way in easing industrial tension. We would note below some of the suggestions in the matter which were offered by the Economic Programme Committee appointed by the All India Congress Committee in November 1947:

1. Employed capital i.e. capital plus reserve will be adopted as the basis for the computation of the return on capital.

2. Steps should be taken to prevent excessive distribution of the profits and distributed profits will be taxed at a higher rate than the undistributed profits.

3. A 5 per cent dividend in terms of employed capital will be the maximum limit for the distribution of profits.

4. After the date of declaration of the maximum limit, the amount of profits transferred to the reserve fund will count for the purpose of dividends only to the extent of 50 per cent of the employed capital at the relevant date.

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\* Mehta, Asoka, *Democratic Socialism*, p. 178.

5. Out of the profits earned in any year, the surplus after setting apart 3 per cent on employed capital will be shared between the workers and the shareholders in proportion to be fixed by the State.†

6. The employee's share will not exceed in any year a third of the basic wage or the national minimum whichever is higher.‡

In this manner, reserves, distributed and undistributed profits are to be controlled so as to prevent concentration.

### Utilization of the Surplus

The surplus can be utilized in two ways:

1. By diverting it to public revenue by means of judicious taxation;

2. By organizing trade benefits and social services in the interest of the workers.

There should be progressive taxation through steeper rates of income tax, excess profit tax, etc. The imposition of the death duty was introduced in India in 1954-55. The amount so obtained might be expended on subsidies and State-aid for the production of goods and services which enter into popular consumption. Professor Pigou is very emphatic upon the elimination of inequalities by means of taxation. He wrote:

The weapon of graduated death duties and graduated income tax, is to be used not merely as instruments of revenue, but should be used with the deliberate purpose of diminishing glaring inequalities of fortune and opportunities which deface our present civilization.§

Excess profit tax has an added advantage. It would exert a healthy control over strong trades and the subsidies given by the Government would strengthen weak trades. In Sweden, they have Government industries, private industries and co-operative industries, all three acting as a check on one another. This is one of the ways of controlling monopolistic profits. There is also another way of controlling big industries. That is

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† Cf. "Profit sharing has made all our employees profit-conscious, and has eliminated to a large degree the division between capital and labour, uniting both into one group, working to a common goal."—Rietz, W. H., *Profit Sharing*, p. 12.

Also Cf. "Income and employment prediction gives the worker the minimum of security he needs. But only if he has a stake in profit will he be able to accept the economic order of an industrial society."—Drucker, P. F., *The New Society*, p. 232.

‡ P. 46-47.

§ *Socialism v. Capitalism*, p. 137-38.

to maintain small producers and small trades carried on in the old traditional ways.

### Welfare Services

Let us now discuss the welfare services which, in the opinion of Prof. Pigou, include the economic services and social services. In his view, there are two causes of labour unrest. One is the dissatisfaction with rates of wages and the second is the dissatisfaction "with the general status of wage-earner—the feeling that the industrial system, as it is today, deprives the workpeople of the liberties and responsibilities proper to free men, and renders them mere tools to be used or dispensed with at the convenience of others."\* Mazzini regards capital as the "despot of labour". The "sordidness of slums" and the "withered lives" of workers naturally create in fair-minded industrialists an enthusiasm for ameliorative services and these services neutralize, though partially, the evil effects of capitalistic despotism.

As is said above, welfare services are of two kinds: economic welfare services and social welfare services. Insurance, compensation, bonus, gratuity, old age pension, housing, credit societies, saving banks, medical relief, etc. are economic welfare services; while adult classes, libraries, gymnasiums, theatres, etc. are social welfare services. Economic welfare can be increased by inducing the workers to make saving. They may even be compelled to do so by suitable legislation and even by bounties by the State. There would be a wider agreement that "the State should protect the interests of the future in some degree against the effects of our irrational discounting and of our preference for ourselves over our descendents."† The social welfare activities would help the workers to gain more competence, knowledge and capacity for enjoying life and its opportunities. This is the reason why provision of welfare services should be regarded as an unavoidable obligation for the employers.

These are the broad and fundamental outlines of an industrial order based on peace. This conception is a newcomer in the

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\* *Economics of Welfare*, p. 16.

† *Ibid.*, p. 29.

field; but many social thinkers of today, evidently alarmed at the growing war-mania of modern time, have started thinking on the above lines.

## CHAPTER X

### PEACE AND MODERN IDEOLOGIES—I

With the decline of Capitalism and the rise of various totalitarian systems of economy, various brands of the latter are offered as radical cures for war. However different these brands may be in their secondary traits, they are similar in essence.†

—P. A. Sorokin

#### The Modern Industrial Orders

We shall now examine the industrial orders as are existent today, their claims and their achievements, the social problems which they have created and the solutions which they have offered. The measuring-rod would be the common man, and his security and happiness. Plato in his *Republic* makes Socrates remark "Our object...is not to make any one class pre-eminently happy but to make the whole State as happy as it can be made."§ Ruskin declared in his own picturesque way, "Whereas it has long been known and declared that the poor have no right to the prosperity of the rich, I wish it also to be known and declared that the rich have no right to the prosperity of the poor."\* The problems before us therefore are: Are the present social conditions favourable for the full growth of the actual workers? Are they provided with normal amenities of life, and are they given necessary opportunities for advancement? And above all, are they allowed to live in peace or are they made to fight with and destroy each other? We shall examine the modern industrial structures or the "economic cures of the social doctors" as Dr. P. S. Sorokin calls them, in the light of the above criterion. If it is seen that the so-called cures do not lead to peace but to war, they will have to be rejected and new ones will have to be evolved in their place. Our submission is this that the Gandhian Way or Sarvodaya,

† *The Reconstruction of Humanity*, p. 31.

§ P. 228.

\* *Unto This Last*, p. 79.

as it is popularly known, alone answers the requirements of such an order.

### Capitalism

With the discovery of the new world in the sixteenth century, Europe witnessed a great improvement in seamanship and ship building which long voyages necessitated. These voyages facilitated influx of precious metals from the new world. These made possible a rapid expansion of trade and manufacture which gave additional impetus to the demand for new forms of economic organization. The new entrepreneur wanted command of ready money for investment which he partly secured by trade expansion described above. His second need was a mobile labour force which could be employed at any time and placed without guild or feudal restrictions. This came to him through the break-up of feudalism in western Europe. Factories after factories grew up gradually and they were soon helped up by a great crop of mechanical inventions which enormously increased their output.

### Its Achievements

This capitalist economy and free enterprise led in the seventeenth and eighteenth centuries to an enormous industrial production and prosperity. There was an immense development of power and also of control of power. This industrialism which can be called a "matrix of Capitalism" was responsible for "raising the standard of living throughout the western world from two to five times; for sweeping away the remnants of feudalism and serfdom; for giving political and economic freedom to the masses, and for securing an unprecedented multiplication of scientific and technological inventions."† According to R. B. Gregg, "the nations in which Capitalism has been most highly developed have greatly improved the nourishment, housing and clothing of the great majority of their people in both quality and quantity. They have made literacy almost universal and higher education very widespread; they have markedly increased average longevity and greatly reduced all communicable diseases of their people."‡ But these achievements were secured at the exploitation of weaker nations.

† Sorokin, P. A., *The Reconstruction of Humanity*, p. 25.

‡ *Which Way Lies Hope?* p. 22.

## Economic Inequality

Capitalism is a believer in money economy and in the centralized control of capital, land, industry and agriculture. It, therefore, brought more production, more money, more comforts and more power to a few, while the majority drudged on in the productive processes. "The rich grow rapidly richer," Prof. Fawcett declared, "whilst there is no perceptible advance in the comforts enjoyed by the industrial classes."§ During the whole period of industrial revolution, Capitalism exploited the labour of even women and children. It has degraded and demoralized millions among colonial populations. It has created glaring inequalities and has split society into antagonistic rich and poor classes, "living in the same spot and always hating and conspiring against one another".\* As Aldous Huxley asserts, "the world which a poor man inhabits is not the same as the world a rich man inhabits."† This "intoxicating augmentation of wealth and power" on the one hand and helpless slavery and meek submission on the other disturbed the social equilibrium and drove the world workers to unite.

## Unemployment

Trade depression and consequent unemployment are inherent in the capitalistic economy. Indeed, unemployment is the major curse of industrialism or, in the words of Stuart Chase, "one of the chief plagues of mankind". Bernard Shaw has put it more graphically when he wrote:

Although the plea made for capitalism by the Professors of the Manchester School was that at least it would always provide the workers with employment at a living wage, it has never either kept their promise or justified that plea.... We said to the unemployed father of a starving family, "We must feed you and your children, if you are destitute... but you must bring your daughters and sons into the workhouse with you to live with drunkards, prostitutes, tramps, idiots, epileptics, old criminals, the very dregs and refuse of human society at its worst." The man naturally said, "Thank you, I would rather see my children dead."‡

§ Quoted in Marx's, *Capital*, p. 669.

\* Plato, *Republic*, p. viii.

† *Ends and Means*, p. 161.

‡ *The Intelligent Woman's Guide to Socialism and Capitalism*, p. 195.



## Imperialism

Imperialism and war are Capitalism's necessary consequences. Capitalism needs the constant inflow of fresh capital which can be secured only by a struggle for access to raw materials and new markets carried out on a world-wide scale. Let us take some historical events to illustrate the point.

British imperialism began functioning systematically in India soon after 1857. The profits made by the British industry in the mid-Victorian period were so great that there was more capital available than was required to finance home development, and much of it had to seek investment overseas including India. The idea of political domination dawned on Britain later on, with the consideration that with the help of the political conquest, investment might be safe and the interest punctually paid. The only reason for its imperialist interference in India's political affairs both by diplomatic pressure and by direct threat of war, was the consideration to safeguard the supplies of essential raw materials and to secure exclusive rights of selling in India or to hold points which would be "strategic" in the event of war or any other interference with trading operations. The French in the eighties acquired vast territories in Indo-China. During the same period, African continent was the great field of imperialist exploitation and before the end of the century, it was practically divided up between the principal European Powers. So was the exploitation of the ancient and helpless Chinese Empire by seven European Powers and Japan which started with opium wars in the forties. And before the century was over, the great nation was brought to its last straits by means of eight "unequal treaties". An appeal issued by the Chinese leader of the Boxers' Rebellion, Yu Tung Chen, in 1900 vividly described the doings of imperialism in China during that time as follows :

These foreigners under pretext of trading and teaching Christianity are in reality taking away the land, food and clothing of the people, besides overturning the teaching of the sages; they are poisoning us with opium and ruining us with debauchery. Since the time of Tao Kuang, they seized our territory and cheated us out of our money.... They have piled up the public debt as high as the hills, they have burnt up our places and overthrown our tributary States...and now wish to divide up China like a melon.§

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§ Llan-Han-Sin, *Unequal Treaties and Chinese Revolution*, p. 5.

Students of history know that in the countries described above, imperialism had to fight its way ahead through frightful wars. Lenin, in his *Imperialism, the Last Stage of Capitalism* wrote:

The coming of imperialism brought to an end the peaceful and even development of capitalism, and substituted for it uneven process of growth marked by the outbreak of serious crises and by a growing clash between the rival capitalisms of the great industrial countries, the clash leading inevitably to great imperial wars.\*

According to Rabindranath Tagore,

before this political civilization came to its power, we have never such a sight of fearful and hopeless voracity, such wholesale feeding of nation upon nation, such huge machines for turning great portions of the earth into mince-meat, never such terrible jealousy with all their ugly teeth and claws ready for tearing open each other's vitals.†

The socio-economic order prevalent in ancient times was known as feudalism. Mechanical power was added to it in course of time and the same is now named Capitalism. With the help of trade, Capitalism was able to expand itself to all the corners of the world under the attractive name of industrialism. Soon it acquired political and military power in order to keep its onward march unimpeded. This is known as imperialism. Thus mankind has come out of its once peaceful homes to face now a permanent threat of war!

## Wars

The First World War was "conceived in the womb of the capitalist society of the 19th and the early 20th centuries". There were at that time no communist, socialist or totalitarian economies. The war was the result of the imperialist economy of competitive free enterprise.

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\* Cole, G. D. H. & Margaret, *The Intelligent Man's Review of Europe Today*, p. 669.

Cf. "During past few centuries, Native American, African, Australian and Asiatic populations have been subjected to this peculiar brand of 'Christian Love' which has generally manifested itself in pitiless exterminations, enslavement, coercion, destruction of the cultural values, institutions and way of life of the victims and the spread of alcoholism, venereal diseases, commercial cynicism, and the like."—Sorokin, P. A., *The Reconstruction of Humanity*, p. 43.

† *Nationalism*. p. 60.

Dr. P. A. Sorokin has given an interesting digest of his study of the belligerency of nations from their historic war-records from the 17th century to 1925. The figures show the relative casualties for a given unit of population of the specified nations:

### For Autocratic Countries

Nation	Centuries			
	XVII	XVIII	XIX	XX
Spain	?	11.8	11.0	2.2
Italy (Rome)	—	—	—	52.4
Russia	7.9	21.5	11.1	41.1
Germany	—	—	13.1	94.7
Austria	130.0	94.0	5.8	48.0‡

### For Democratic Countries

England	20.0	30.1	5.0	66.5
France	36.6	45.8	51.0	92.0
Holland	161.0	84.4	5.7	0.0‡

The above tables show that there is no evidence to believe in the curative powers of Capitalism and Communism and even of democracy to abolish war. With the exception of small nations like Spain, Holland and Austria, every nation shows an increasing tendency to war. Would then Capitalism be trusted to bring about peaceful industrial order and relationship? Well has R. B. Gregg warned:

Capitalism makes money and power its God and sacrifices everything to that God....It is the chief cause of hunger and malnutrition all over the world....It has no principle of self-control or self-limitation....It can no longer be trusted or endured.§

### Communism

The decline of Capitalism can be said to have definitely begun from the termination of the First World War. Indeed, the war itself was a child of capitalist economy and competitive

‡ *The Reconstruction of Humanity*, p. 9.

For details, see the author's book, *Social and Cultural Dynamics*, III, pp. 348-52.

§ *Which Way Lies Hope?* p. 30.

enterprise, though its aims as were then declared by the war-lords were no less than "making the world safe for democracy, the protection of the weak nationalities and the conferment of the boon of self-determination on all people."¶ The war in reality succeeded in making the world unsafe for democracy and self-determination.

Capitalism created conditions, wherever it went, wherein conflict was inevitable. The formation and increase of capital is the essential condition of the existence of the capitalist class. This process involved exploitation of labour. This drove workers to organize themselves for resisting exploitation. Thus Communism came as a challenge and even as a counterpoise to Capitalism. It aimed at eliminating poverty and exploitation, and at creating economic equality and social justice. Lenin declared:

We set ourselves as our final aim the task of the destruction of the State, i.e. of every organized and systematic violence against man in general. . . . There will vanish all need for force, for the subjection of one man to another, of one section of society to another, since people will grow accustomed to observing the elementary conditions of social existence without force and without subjection.\*

### Its Characteristics

R. B. Gregg has noted the following eight characteristics of Communism:

1. State Capitalism;
2. Increase in technology and industrialism;
3. Ever-increasing division of labour;
4. Ever-increasing commerce;
5. Urbanization;
6. Money valuation and control of most things and activities;
7. Reliance on the money profit motive as the surest and the best stimulus to action;
8. Extensive use of organized violence in the form of police, armies, navies and air forces.†

The reader would be able to see that with the substitution of "private property and competition" as the first item, the whole list admirably describes the characteristics of Capitalism.

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\* Lenin, *The State and the Revolution*, pp. 84-85.

† *Which Way Lies Hope?*, pp. 38-39.

We are not concerned here with the analysis of the whole theory of Communism. Our discussion would be restricted only to its conception of economic conflict in society. This economic conflict is expressed in its three doctrines:

1. Class-war;
2. Dictatorship of the proletariat, and State Capitalism; and
3. Abolition of private property.

Let us examine these ideas in detail.

### Class-war

The Communist Manifesto interprets the whole history of mankind as a "history of class-struggle, contests between the exploiting and exploited, ruling and oppressed classes".<sup>‡</sup> According to Marx, the only scientific method of classifying men is not by their religion, race, nationality or colour, but by their way of earning their living. Society has two classes: one who lives either by owning lands, shares, buildings, workshops, means of production, or access to raw materials; the other is bereft of any such possession and has, therefore, to live by earning wages. Thus one lives by the purchase of labour, while the other lives by the sale of labour.

According to Communists, there is an inborn antagonism between these two classes. The reason is that the wage-earners are naturally concerned only with securing the highest possible price for their labour, while the capitalists are interested in securing labour at the minimum price. But the two sides are not equal in strength. The labour is always more than is in demand and must find purchaser quickly or starve. Capital is, on the other hand, subject to no such disability, and is, therefore, in a position to dictate. This positional inequality, the Communists argue, is the reason of the modern industrial malaise.

### Dictatorship of the Proletariat

Capitalism in its greed of more money and more power had overplayed its part in the industrial revolution without giving any thought whatsoever to what the morrow would bring for it. In its acquisitive frenzy, it refused to consider this normal

<sup>‡</sup> Quoted in Laldler, H. W., *A History of Socialist Thought*, p. 159.

proposition that even profits have a limit which ought to be respected. Eventually the revolutionary labour of the world sounded at last the "death-knell of capitalist private property". "The monopoly of capital," thundered forth Marx, "becomes a fetter on the mode of production.... Centralization of the means of production and socialization of labour finally reach a point where they become incompatible with their capitalistic integument. This integument is burst asunder.... The expropriators are expropriated."§

The integument is burst asunder, the Communist insist, only by a violent revolution. The role of the class-conscious workers, therefore, during the period of preparation is very vital. They must organize themselves into trade unions. They must insist upon taking power in their own hands and seize the State and establish a dictatorship of the wage-earners. According to Lenin:

The dictatorship of the proletariat is a hard-fought fight against the forces and traditions of the old society, a fight that is both bloody and unbloody, both violent and passive, both military and economic, both educational and administrative.\*

History is replete with instances to show that the dictatorship of the proletariat includes the utilization of all the known methods of controlling individuals and masses in society. Bramstedt, a close student of the Polish State wrote:

Behind the cunning devices and speedy action of the secret police as experienced from Fouché to Himmler, there is a certain basic conception of what man is and how he must be treated... Man is a bundle of instincts and emotions easily perceptible, and controllable which, if necessary, can be annihilated by various specific techniques.†

## State Capitalism

Dictatorship of the proletariat virtually meant State Capitalism. Queerly enough, was it not the back-door entry of Capitalism when it was driven from the frontal one? According to R. B. Gregg "Capitalism and Communism in practice are far more similar than many people realize, and might therefore be

§ Quoted in Lasky, H. J., *Communism*, p. 29.

\* Quoted by Stalin, *Leninism*, 1928, p. 12.

† Quoted in the *Strategy and Tactics of World Communism*, by Committee of Foreign Affairs, p. 11.

expected to produce much the same result.”‡ It is true that in Russia, the workers have unemployment benefits, sickness benefits, and disability benefits, on a scale larger than in any other country. Education and humanization of social life are more widespread; also there are no disabilities on grounds of sex, religion, race or birthplace. But power is concentrated into the hands of the small Central Executive Committee of the Communist Party. There is an emergence of a social and political hierarchy and of a new class of managers who receive more pay than the rank and file. “The Communist Party there has officially abandoned equality of pay and opportunity. According to one report, the pay of top-rank managers is over sixty times that of manual workers.”§ James Burnham has stated the same conclusion when he wrote:

If workers' control is replaced by the *de facto* control of the managers, backed by a new kind of State, then capitalism, after a transitional crisis, has changed into managerial society. The latter through a series of intermediary steps, is what happened in Russia.\*

Collective ownership of the means of production does not necessarily have as its inevitable result, the liberation of those who have hitherto been bondmen. In Russia, according to Aldous Huxley, collective ownership is “perfectly compatible with authoritarian management of factories and farms, with militarized education and conscription, with the rule of a dictator supported by an oligarchy of party men, and making use of a privileged bureaucracy, a censored press and a huge force of secret police.”† Andre Gide had opined after his visit to Russia that the disappearance of Capitalism had not brought freedom to the Soviet workers. The long-heralded dictatorship of the proletariat had not materialized; instead, the dictatorship of the Soviet bureaucracy had come into being! The workers have no longer even the liberty of electing their own representatives to defend their threatened interests.‡

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‡ *Which Way Lies Hope?*, p. 39.

§ *Ibid.*, p. 40.

\* *The Managerial Revolution*, p. 102.

† *Ends and Means*, p. 50.

‡ For details, refer to Andre Gide's article in *The God That Failed*.

## Withering Away of the State

The belief in the withering away of the State is a part of the communist theory. Under Feudalism and Capitalism, the people of authority kept themselves in power with the instrument of State. Communism also followed the same technique of making the State the supreme seat of power and authority. Dictatorship of the proletariat also required a centre and organization for functioning. Communists insist that the society is more important than the individual and since the State or the Government usually represents the largest social organization, the State naturally becomes more important and powerful than the individual. The work of the accomplishment of the revolution and of the creation of the new social order was carried on in Russia through the instrumentality of the all-powerful State. It is, therefore, really strange how Marx believed that after revolution, the State would elect to wither in due course automatically. "There is not the smallest reason to suppose that it will wither."§ Stalin made it clear, "The State cannot wither away in a single socialist country before the world revolution because of the necessities imposed by capitalist encirclement."\*

## Abolition of Private Property

The conception of the abolition of private property did not originate with the Communists. It has a long history. Plato in his *Republic* envisages a communist State and since his time, there is hardly a generation in which a social thinker, being oppressed by an appalling economic disparity between one class and the other as a social consequence of the private property, has not declared its straight abolition as the panacea of the social malady. "So long as private property," wrote Sir Thomas Moore in the sixteenth century, "doth continue, so long shall remain among the most and the best of men the heavy and inevitable burden of poverty."† In the eighteenth century in France the parish priest Meslier was horrified at the spectre of poverty among his flock and cried out, "You are amazed, O ye poor,

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§ *Ends and Means*, cited before, p. 63.

\* Quoted in the *Strategy and Tactics of World Communism*, by Committee of Foreign Affairs, p. 12.

† Quoted in Laidler, H. W., *A History of Socialist Thought*, p. 30.



that ye have so much evil and suffering in your lives...if, as I desire, all possessions were common, there would be no taxes to fear."‡

Private property, according to John Stuart Mill, is a healthy social institution, necessary to the good and the progress of mankind, and "not something thrust by fraud upon the majority with a view to keep them in servile obedience and comparative poverty in the interest of the rich, powerful and unscrupulous minority."§ But when man in his inordinate zeal for more profits, effects additions to his legitimate property by force or craft, so that they become the possession of the seizer, he is rightly challenged, and the added possession, in the words of Mr. J. A. Hobson, becomes "impropriety". The evils of Capitalism are, really speaking, the evils of "impropriety". The Communists in their analysis of the existing economic unbalance, came to the conclusion that if the private property which seems to have engendered the trouble, was abolished, economic balance could be restored. They therefore propounded the strategy of the abolition of private property as a part of the revolution. "It may fairly be said," wrote R. B. Gregg, "that the abolition of private property is the only one of the original aims of Communism that has been fully realized in Russia."¶

### Criticism of Capitalism and Communism

Both Capitalism and Communism start with many contradictions and conflicts, the most important of which are:

- (a) Conflict between capital and labour;
- (b) Conflict between various financial groups and imperial powers in their competition for the control of the sources of raw materials and of the foreign markets, and
- (c) Conflict between the small group of dominant "civilized" nations and the hundreds of millions of persons who make up the colonial and dependent peoples of the world who are exploited or otherwise treated with the "products of civilization".

These three conflicts have so powerfully affected the whole society that the history of society of the last few hundred years

‡ Quoted in Lasky, H. J., *Communism*, p. 14.

§ Davidson, W. L., *Political Thought in England*, p. 192.

¶ *Which Way Lies Hope?*, p. 39.

is a history of struggles between either one nation and the other, or one group of nations and the other group and one class or caste and the other class or caste.\* This conflict has generally influenced the psychology of the modern society at large to the extent that it has pervaded almost all its departments. Imagine the conflict that has developed between "the individual and the State, labour and capital, the man and the woman, the greed of national gain and the spiritual life of man, the organized selfishness of the nations, and the higher ideals of humanity, all the ugly complexities inseparable from giant organizations of commerce and State and the natural instincts of man crying for simplicity and beauty and fulness of leisure."†

### Concentration of Money and Power

The main cause of this permanent conflict is the concentration of money and power in the hands of a few individuals and nations. "Property today," wrote Leo Tolstoy, "is the root of all evils, evils of the sufferings of those who possess it or are deprived of it, the reproaches of conscience of those who misuse it, and the danger of collision between those who have a superfluity and those who are in want."‡ Concentration of money leads to concentration of power. Power is the "pleasure of being obeyed and of being part of a well-functioning, immensely powerful machine to which everything else must give way".§ It is competent to secure positions, "in which men can do less work and make others do more for them".\* Thus power, if concentrated in the hands of a few becomes dangerous. "Power corrupts and more power corrupts more", as Lord Acton has said.

Communism reacted to capitalistic onslaughts with the same weapon, or in the words of H. J. Laski, the communistic workers "move towards the transformation of Capitalism into

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\* Cf. "The world is torn between two forces, one representing the triumph of private enterprise, and the other representing the triumph of Communism.... They were two distinct schools of political philosophy and the two left to themselves would lead to war."—A. Bevan, *Times of India*, 24-2-53.

† Tagore, Rabindranath, *Nationalism*, p. 56.

‡ *What Then Must We Do?*, p. 363.

§ Hayek, F. A., *The Road to Serfdom*, p. 112.

\* Leo Tolstoy, *What Then Must We Do?*, p. 44.

Communism".¶ It is really true that Communism is only a *transformation* and not a *substitution* of Capitalism. This is the reason why both these economic ideologies display the same defect. The shift of property-ownership from private hands to the State results merely in State Capitalism. Both use violence, deceit and fraud towards the realization of their ends. The factors of competition and money profit motive are already in operation in Russia, China, Poland, Hungary, and other communist countries. Some critics of the present U.S.S.R. believe that the political system obtaining there, is, in fact, only State Capitalism with its attendant evils of concentration of money and power. True, the present distribution of wealth in Russia is juster than what it was before. But as R. B. Gregg asserts that in course of time, "the results of such concentration of power would be to wipe out entirely the benefits of the change of ownership from private hands to the State."†

### Enslavement of the Individual

The goal of all those who desire to bring about a better social order should be to secure for all members of the society, freedom, justice, and peaceful co-operation. According to Aurobindo Ghosh, it is always the individual who progresses and compels the rest to progress. The instinct of the collectivity is to stand still in its established order. In his opinion, all collectivist ideas which unduly seek to subordinate the individual, really envisage a static condition whether it be a present status or one it soon hopes to establish.‡ Capitalism is manifestly based on enslavement of the individual. In Communism also the dictatorship of the proletariat is in actual fact a dictatorship by a small privileged minority. For the masses at large, there is nothing but enslavement or, as Andre Gide has put it, the condition of "thou shalt earn my bread in the sweat of thy brow".§ Aldous Huxley is very critical about the position of an individual in Soviet Russia. He asks:

Is there the smallest reason to suppose that such a goal (individual freedom) can be reached through police, espionage, military slavery,

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¶ *Communism*, p. 107.

† *Which Way Lies Hope?*, p. 41.

‡ *Ideal of Human Unity*, p. 41.

§ Gide, Andre, *The God That Failed*, p. 222.

the centralization of power, the creation of an elaborate political hierarchy, the suppression of free discussion, and the imposition of an authoritarian system of education? Obviously and emphatically the answer is no.\*

G. D. H. Cole posed the question: "What is the fundamental evil in our modern society which we should set about to abolish?" He continued, "There are two possible answers to that question, and I am sure that very many well-meaning people would make the wrong one. They would answer poverty when they ought to answer slavery....Poverty is the symptom, slavery the disease."† The coercion of the individual would not be conducive to social peace and prosperity. It would keep the embers of discontent always burning which might flare up in occasional revolts. In Capitalism, the capitalists are the stronger party, keeping the workers under their heels. In Communism, it is the workers' party which gets the upper hold and endeavours to root out bourgeoisie from every field. Thus both of them have failed to strike at the social equilibrium.

### Industrial Relations

It is hardly necessary to say that the normal development of peaceful industrial relations is an impossibility in such social conditions. Under capitalistic order, the Government generally sides with the capitalist, and the workers are left alone to fight out their case against heavy odds. The late Lala Lajpatrai in his presidential address in the first session (1920) of the All India Trade Union Congress said:

Our past experience is that the Government of India, however well-intentioned some of its individual officers and statesmen may be, is because of its constitution, capitalistic in its sympathies and outlook.‡

Shri V. V. Giri, from his long experience stated in his presidential speech in the first session (1932) of the Trades Union Federation as follows:

The moment a trade dispute is apprehended, the police and the magistracy rush to the rescue of the employer while the workers are left to their own wits in the fight against their oppression...and as stated by the Whitley Commission the whole information concerning a dispute is obtained more through the police than by direct contact with the workers' organizations.§

\* *Ends and Means*, p. 62.

† Quoted in Russell, Bertrand, *Roads to Freedom*, pp. 190-91.

‡ Quoted in Punekar, S. D., *Trade Unionism in India*, p. 139.

§ *Ibid.*, p. 140.

In a communistic State e.g. in Russia, trade unions in a dispute do not deal with private capitalists but with the State and its administration. The result is that the "trade unions in Russia have become more or less appendages to the Government machine. . . . Stalin remarked in *Leninism* that the party realizes the dictatorship of the proletariat, not directly, but with the help of the trade unions and through the Soviets and their ramifications."\*

The Communists in Russia have never pretended to guarantee civil liberties to groups other than their own which under the discipline of the party is required to cheerfully submit to the dictates of their leader or the High Command. The individual under these circumstances does not enjoy the liberty to think and to act with a view to order his life in his own way. Peaceful industrial relationship presupposes liberty of the individual and parties. The attainment of co-operative spirit, contentment and happiness are possible only when the parties concerned are at liberty to develop their better self. "Inner freedom and harmony of soul," declared General Smuts in his Rectorial Address in St. Andrews University, "social freedom and equality before the law as the foundation of the State; international freedom in the rule of peace and justice: These should be the creative ideals of the New Age instead of the sterilizing repressions of the past."† This creative freedom which is vital to the growth of peace of our conception is impossible to obtain both under a capitalist and a communist rule.

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\* Quoted in *Trade Unionism in India*, by Punekar, S. D., pp. 144-45.

† *Freedom*, p. 35.

## CHAPTER XI

### PEACE AND MODERN IDEOLOGIES—II

Science of war leads one to dictatorship pure and simple. Science of non-violence alone can lead one to pure democracy. England, France and America have to make their choice. That is the challenge of the two dictators.†

—Mahatma Gandhi

#### Socialism

If the extreme Communism is not conducive to the cultivation of peace, let us examine how far its modified form which Socialism claims itself to be, is helpful in this connection.

The ideology of both Communism and Socialism is one which is Marxist; but they vary in emphasis. The Communists believe that the creation of a new social order can be brought about only through a violent revolution. In economics, they believe in the unalloyed Marxist doctrine of class-war. The Socialists believe that the fundamental social and economic changes can and should be made by peaceful methods, such as persuasion, representation, legislation, public opinion, etc. In economics, they are the followers of the liberal economies of Ricardo and Bentham which represent a sort of modification of Marxist theory. They visualize the coming of Socialism as a result of increasing municipal and federal ownership of the industry, increasing power of labour in legislative and executive offices, increasing growth of the co-operatives, trade unionism, and educational movements and the development of social consciousness through the gradual democratization of the society on the political, economic, and intellectual fields. This moderating development which emerged mainly in Britain was due to the "permeating" policy of the Fabian Society of London. Some of the chief leaders of the Society were Ramsay Macdonald, George Bernard Shaw, Annie Besant, H. G. Wells, Sidney and Beatrice Webb, Pethick Lawrence, G. D. H. Cole, etc.

It would be seen that this development of Socialism is essentially democratic. "The main stream," wrote Sidney Webb, "that has borne European society towards Socialism during the

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† *Harijan*, 15-10-'38.

past one hundred years is the irresistible progress of democracy. . . . The economic side of the democratic ideal is in fact Socialism itself."§ Thus Socialism developed democratically is known as Democratic Socialism. It advocates Government ownership primarily for the purpose of eliminating private profits from the operation of public utilities and conferring the benefit of such industries on the employees and consumers. Their demand for national or municipal ownership of industries is always qualified by a provision for the democratic administration of such industries, and for the application of the profits to the increase of the employees' wages, and the improvement of the services. In this way, trade unions in England have helped the formation of a Labour Party through their political activities and have done much to educate the masses in the practical application of labour democracy. Thus "the trade unions may well become one of the main instruments for a change from Capitalism to planned Democratic Socialism."\*

### Democracy

The word is derived from the Greek *demos*-people and *kratein*-to rule. It thus means "Government by the people". Democratic institutions and rights were first developed in England in the 14th century and were enlarged and backed by a corresponding political philosophy in the 16th and 17th centuries. American and French revolutions took place at the end of the 18th century and this marked the beginning of modern democracy. During the 19th century, almost all the civilized nations of Europe adopted democratic constitutions.

The main problem before democracy was to save the common men from the meshes of kingly and capitalist forces. But the conservative forces were not naturally sympathetic towards the emergence of a new, vast and democratic power which betokened the awakening of the common people and their growing competence to handle their own affairs. Thus the infant democracy had to meet the combined opposition of the above two forces at home. Besides, it had to make its headway in a world of competition. This it failed to achieve even until the First World War broke out in 1914. After the termination of

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§ Shaw and Others, *Fabian Essays*, pp. 30-31.

\* Barou, Dr. N., *British Trade Unions*, p. 99.

war, Russia, Italy, Germany and Austria preferred open dictatorship. Poland, Hungary, Rumania and Yugoslavia, newly liberated by the war, have taken the same path. Only the British Dominions, Holland, Belgium, and the Scandinavian countries remain, with Switzerland at all firmly wedded to a parliamentary system.† According to Prof. Laski, "the growing feature of French life is the scepticism of the parliamentary system",‡ and "America is a classic home of large-scale capitalism."§ In Great Britain, the Socialists "like Liberals and Conservatives, have been able to quarrel peacefully about minor matters because they were in agreement upon the fundamental way of American life".\* In this manner, democracy received a mortal blow in the post-war period.

The strength of democracy depends upon the strength of the people and of their representatives, who help to evolve it. As both these agencies are generally fearful and slow in their functions, the evolution of democracy is necessarily a long process. It is hesitant to function in the economic field for three reasons: The first is that the people in general accept mostly through mental inertia the traditional distinction between the rich and the poor or the high and the low in economic and social status. The second reason is their belief that the political leadership should, as a matter of course, belong to the upper classes. The third reason is that consequently there is no widespread desire to challenge the capitalist system either by the political or other activities, so long as the workers continue to get some share in the fruits of the industrial revolution with its increasing productivity. Thus, when democracy gets wedded to capitalist order, it is known as capitalist democracy. When it is allied with socialist order, it is called Socialist Democracy or Democratic Socialism.

### Capitalist Democracy

The variety of democracy which developed in England and America has been dubbed as "capitalist democracy" by writers like J. A. Hobson and Prof. Laski. Hobson defines it as follows:

† Hobson, J. A., *Democracy*, pp. 18-19.

‡ Laski, H. J., *Democracy in Crisis*, p. 43.

§ *Ibid.*

\* *Ibid.*, p. 44.



This term signifies that organized business forces of industry, commerce, and finance have hitherto been able to exercise a dominant hold over the acts of popular Governments in important matters of business interest, alike in the sphere of domestic and of foreign policy.†

According to Prof. Laski, the industrial revolution brought the middle classes to power, and they evolved a form of State—capitalist democracy—which seemed most suited to their security. But there was a new struggle for power inherent in it. "It offered a share in political authority to all citizens upon the unstated assumption that the equality involved in democratic ideal did not seek extension to the economic sphere."‡ The same author in his another book *Communism* explained its further implications as below:

Capitalist democracy is ineffective for two reasons:

- (a) It is narrowly political. Its absence in economic fields means virtual exclusion of the masses from any share in power there.
- (b) It is domestic to the point that the foundations of capitalism are not threatened.§

The late Sir Stafford Cripps was even more critical about this "hypocritical democracy" of his homeland. According to him,

traditionally the British ruling class has regarded as its guiding principles, capitalism, Christianity and democracy, giving to the two latter terms the embodiment that will best secure the continuance of capitalism with its attributes of power, privilege, and wealth for that class.\*

In his opinion, the democracy which developed in other western European countries has a dash of totalitarianism also. He wrote:

Western European countries are being steadily driven away from the liberal democratic forms of the last century towards more and more totalitarian conceptions.†

### Democracy, Menaced by Fascism and Nazism

In countries like Germany and Italy, democracy had to face a different set of circumstances. It began to develop more positive policies of public welfare including extensive schemes

† Hobson, J. A., *Democracy*, p. 35.

‡ Laski, H. J., *Democracy in Crisis*, p. 63.

§ p. 72.

\* *Democracy Up-to-date*, pp. 22-23.

† *Ibid.*, p. 21.

of education, health services, municipal improvements, wage boards, workmen's compensations, pensions, and unemployment relief. The increased cost of these extended social services involved added taxation which made serious encroachments upon the incomes of the well-to-do. The emergence of Fascism and Nazism have taken place to counteract the menace of this growing democracy. Thus the above nations by the very logic of events were called upon to make a choice between social democracy and the authoritarian State as a safeguard against Capitalism.

From this condition to which democracy seems to have been reduced by the machinations of capitalists and politicians throughout the great nations, it seems that the "brief era of modern democracy is over and the world is committed henceforth to oligarchic government, the rule of big business, using political and technological experts to plan industry, commerce, and finance, so as to maintain the power of the propertied classes and to procure the acquiescence of the working classes by well-calculated concessions of wages and other conditions of labour."† This collapse of democracy indicates that big businessmen have decided to carry on the governance of the common people with the help of the politicians in the interest of their own class.

### Other Menaces to Democracy

The *raison d'être* of democracy, as we have said above, is its endeavour to work for the amelioration of the common people. It has, therefore, to fight for their economic security and betterment. Effective political democracy is unattainable without economic equality which signifies a modification, if not a displacement, of capitalist ownership and control of industry and the application of social planning to the whole economic system. But the democracy from its very inception finds itself arrayed against the three strong forces of Capitalism, bureaucracy, and the military.

### Democracy and War

War is almost an inevitable concomitant of Capitalism. The nineteenth century democracy was a national democracy. The

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† Hobson, J. A., *Democracy*, p. 43.

relations between one State and another were very primitive. Democracy committed the mistake in allowing the war obsession to vitiate its constructive activities. This war mania obstructed the development of the social tone, of the abilities needed in democracy, and of the habits of mind essential for democratic government. The result is that in so-called democratic countries like America, England and France, huge sums are being spent on rearmament.

It would thus be seen that democracy by allowing itself to be enmeshed in the entanglements of war which was the common pitfall of Capitalism and totalitarianism weakened itself and betrayed the trust reposed in it by the toiling millions of the world. Its record of war seems to be not less black as the record of Capitalism. Prof. P. A. Sorokin gives the digest of his study of the belligerency of the democratic nations from their war records as follows:

We find that such comparatively democratic nations as ancient Greece, England, France, the Netherlands, and the United States waged war, on an average, during 57, 56, 50, 44 and 49 years, respectively (including main Indian wars) in every hundred years of their history....The frequency of wars is slightly higher in the totality of the democratic countries than in that of the autocratic nations.†

Democracy, as is shown by its records, has taken the fullest advantage of the scientific inventions and has succeeded in increasing the "magnitude, destructiveness, and scientific bestiality" of wars. The real problem before democracy is to awaken and organize the people effectively enough to secure the co-operation of expert statesmen and administrators in the work of evolving such forms of government as would guarantee peace and security, and would fit the nation in the new world. As John Stuart Mill wrote: "The best society was one in which, while no one was poor, none felt urgency to be rich nor was haunted by the fear of what effect that urgency in others might have upon him."\* If democracy does not attend properly to the very purpose or to the *sine qua non* of its very existence, it is sure to be negated as we have seen above by the machinations of the dominant nations of the world. They seem to be occupied, in the words of Mr. Bertrand Russell, in "increasing the material comforts of the wealthy minority and to perfect

† *The Reconstruction of Humanity*, pp. 8-9.

\* Quoted in Laski, H. J., *Democracy in Crisis*, pp. 264-65.

the means of slaughtering each other".† They are more orderly, efficient, and thorough in their work which might easily persuade the ignorant populace to believe that along such lines only lies the hope of improving their lot.

### Democratic Socialism

The believers in Socialism questioned the communist theory of proletarian dictatorship for the attainment of Socialism. They asked whether there was any "sense in maintaining the phrase of dictatorship of the proletariat at a time when in all places representatives of social democracy have placed themselves practically in the arena of parliamentary work, have declared for the proportional representation of the people and for direct legislation—all of which is inconsistent with a dictatorship."‡ The British Fabians thought on the same lines and coined the new phrase "Democratic Socialism". They argued, "So long as democracy in the political administration continues to be the dominant principle, Socialism may be quite safely predicted as its economic obverse."§ The Indian Socialist, Asoka Mehta, seems to be subscribing to the above analysis. He wrote:

Socialism believes that its economy can never be built through forced collectivization, through forced labour. If you are building for Socialism, economic planning has to be organized democratically.\*

According to E. F. M. Durbin, "the democratic method is not only essential for the achievement of Socialism but that it is a part of that achievement."† The protagonists of this theory thus maintain that the new concept combines in itself the best of democracy and Socialism. Major C. R. Attlee has described Democratic Socialism as the "right course between Capitalism and Communism".‡ According to Mr. Bevan, "the only answer to the Communists and the challenge of reactionary forces is the Democratic Socialism which alone paves the way for world peace and universal prosperity."§

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† Wellock, Wilfred, *The Spiritual Basis of Democracy*, Introduction, p. v.

‡ Bernstein, E., *Evolutionary Socialism*, p. 140.

§ Shaw, Bernard and Others, *Fabian Essays*, pp. 52-55, New Edition.

\* *Democratic Socialism*, p. 127.

† *The Politics of Democratic Socialism*, p. 271.

‡ *The Times of India*, Bombay, 15-1-'53.

§ *Ibid.*, 24-2-'53.

## Its Achievements

The labour Government in Britain nationalized the Bank of England, coal mining industry, civil aviation, and cable and wireless in 1946. In the following two years, transport industry, electrical supply, gas, iron and steel industries also were nationalized. But the Conservative Party which defeated the Labourites in the 1952 elections abolished the nationalization of iron and steel industries. The programme of nationalization of industries can be said, therefore, to be still in the experimental stage. But the nationalization of the social services has made a fair advance in England. They have "old age pensions, and unemployment and health insurances. These services are carried on by the Local Authorities as agents for Central Government".§

The advocacy of peace and co-operation by the British labour so far as it is possible, is worthy of note. In the early thirties, the Labour Party "attacked a general idea of imperialism and advocated British Commonwealth of free independent countries linked together for their mutual advantage".\* As the party grew in strength, a good deal of popular support was found in the rank and file of the party for the view that "all colonies should be evacuated at the earliest possible date".† Its policy regarding India and Burma being made independent, represented a venture on the path of peace. It brought pressure on the Dutch and the Indonesians to agree, with the result that the British forces were withdrawn in 1946 from Indonesia.

The above record of work achieved during the very short period which was available to the Democratic Socialists in Britain is promising. But the democratic way is always a slow process and requires a pretty long time to be spectacular. This is the reason why the British Socialists are hard put to it to convince the people that they can guide the people to the goal of stable prosperity. Besides, they cannot still lay their hands on any prosperous land and call it their own, unlike the capitalists and the Communists who can swear by the U.S.A. and the U.S.S.R. respectively. The policy of the Democratic

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§ Parker, John, *Labour Marches On*, pp. 85-100.

\* *Ibid.*, p. 126.

† *Ibid.*, p. 145.

Socialists of raising the standard of life of the common man by means of nationalization of industries constitutionally and peacefully leaves no effective sanction with them excepting cultivating public opinion which is proverbially slow and oscillating. Yet it must be said that Democratic Socialism is for world peace and, therefore, does represent though partially, a third way as against the extreme views of Capitalism and Communism.

### The Welfare State

The Welfare State is a "State that provides for its citizens a wide range of social services with a view to give them security".<sup>‡</sup> It is the ideal of Democratic Socialism. The operation of the ideas of the Welfare State is at present being tried in Western Europe, United States, the British Dominions of Australia, New Zealand and Canada. In Britain, it is being attempted for the last six years and it is still in an experimental stage.

Coming to the home front the readers are aware that the Indian National Congress at its Nasik session (1950) has declared its objective to be the establishment of the Welfare State for India. The resolution runs in part thus:

That objective is the establishment of a Welfare State wherein there is economic democracy, a national minimum standard in respect of the essentials of full employment, elimination of exploitation, and progressive narrowing down of disparities in income and wealth, so that there may be equality of opportunity to all for self-development and growth of personality.

Welfare State represents the latest experiment in economic democracy in the western countries. Let us examine its contents.

This concept is based on the principle enunciated in the Beveridge Plan that "it was the duty of the State to provide a guaranteed minimum income to the citizen, irrespective of his financial position, and to restore a sick person to health".<sup>§</sup> In Britain, sickness, unemployment and old age are the three main circumstances in which the State supports its citizens. Thus it provides direct services as follows:

<sup>‡</sup> Kent, T. W., *The Welfare Society*, p. 2.

<sup>§</sup> Marquand, H. A., *The Hindustan Times*, New Delhi, 16-1-'53.

(1) Health Service: Sick persons are entitled to free service of the doctor, the dentist, the optician and chemist. At present, because of the huge armament budget, the Government has cut down the scheme and the people pay a part of the cost. But the hospital service is reported to be entirely free.\*

(2) Child Allowance: Education of children is compulsory and free; for large families, "a child allowance at the rate of s. 5/- per child per week after the first one is paid to the mother".†

(3) National Insurance Scheme: This scheme is meant to help the unemployed and the disabled.

(4) National Assistance Board: It helps those deserving cases which are not covered by the other arrangements.

The purpose as is envisaged in this concept is to ensure that everyone gets a certain minimum share of the production whatever his circumstances. Certain social services are financed by uniform contributions from every citizen; but as soon as there would be a full Welfare State and a wide range of social services, the finance would be a general charge on the State's revenue from taxation.‡ According to A. Bevan, the Government in Britain is experiencing extreme difficulties in the realization of added taxes.§ A thorough-going Welfare State is "chronically liable to steady (though not necessarily sharp) inflation... which may in practice defeat the very objective",\* of the Welfare State. Besides, it imposes great strain on the economic arrangements of planning and control. Shree K. G. Mashruwala had severely criticized this concept. He wrote in part:

According to the idea of Welfare State, the State is increasingly made responsible for every item of an individual's needs—not only from birth to death—but from conception to cremation. If we are to assume that the same historical process is destined to continue, in course of time, the UNO will end in a World Government in which even big countries like U.S., China, U.S.S.R., India, etc. will function more

\* Marquand, H. A., *The Hindustan Times*, New Delhi, 16-1-53.

† *The Welfare State*, cited before, p. 4.

‡ *Ibid.*, p. 7.

§ *In Place of Fear*, chapter 7.

\* *The Welfare State*, cited before, pp. 26-27.

or less like class A States (in India), and the sanction behind every one of them will be force. If we definitely want to avoid wars, violent revolutions and dictatorships either of the Fascist (individual capitalist) or of the Bolshevik (State capitalist) type, India must abandon *this* ideal of the Welfare State.†

What we have given above with regard to the Britain's experiment of the Welfare State shows that the idea is still not finalized and is in an experimental stage.

## Fascism

This ideology openly advocated war and had emerged in Italy as a challenge to Democratic Socialism. Fascism was strictly a political doctrine and not an economic one. But it affected industry inasmuch as workers and peasants had been denied the right of free association and had been subjected to a system of "obligatory syndicalism". They had no voice in the selection of the officers of the fascist syndicate.‡ It was thus a dictatorial doctrine which subordinated all interests in the country for the purpose of strengthening the nation. "Fascism," in the words of Mussolini, "believes that war alone brings up to its highest tension all human energy.... A doctrine which is founded upon the harmful postulate of peace is hostile to Fascism.... All fascist planning has one ultimate aim: to make the national society more efficient as a war-machine."§ It claimed to be neither capitalistic nor socialistic. Class-struggle was rejected and industrial disputes were forbidden. The Fascist Party stood for nationalism and imperialism and sought to revive the traditions of the Roman Empire. According to Mussolini, the "seizure of Abyssinia was undertaken as a sacred mission of civilization".

It would be clear from the above that under a fascist rule, as in Italy, peaceful relationship in industry would be out of question. The attitude of such a State towards trade unions would be similar to that of a communistic State. As it aimed at destroying class-consciousness among the employers and workers, strikes and lock-outs would be illegal. In Italy an elaborate machinery was set up for compulsory arbitration.

† *A Vision of Future India*, p. 5.

‡ For details, see Laidler, H. W., *A History of Socialist Thought*, p. 567.

§ Huxley, A., *Ends and Means*, pp. 32-33.



## Nazism

"Nazi" is a short term of "National Socialists" as against international Socialists. Nazism arose in Germany. It had allowed private Capitalism with State as the controlling agency with powers to absorb large profits from the capitalists in the form of taxes. The Nazi Party professed extreme nationalism and racialism on the basis of Aryan principle. Its programme was to organize a strong Nationalist State under Nazi leadership, to suppress all other parties, to drive away Jews and to concentrate on racial improvement. Hitler was no believer in arbitration at all whether it was compulsory or voluntary. By an Act of 1st May 1934, strikes and lock-outs were virtually prohibited by his Government and maintenance of labour peace was placed in the hands of 13 Labour Trustees who were political appointees of the Reich and their authority in labour questions was supreme. Thus, in Fascist and Nazi ideologies, there was no scope for peaceful relations between the employers and the employees.

## The United Nations Organization

As the League of Nations came into being after the First War of 1914-18, the United Nations Organization (UNO) was created after the Second War in 1946. The idea behind the organization was that frequent meetings and discussions between nations would be helpful in levelling down their mutual prejudices and animosities, and in generating a spirit of understanding and tolerance which would prevent war. As it is, the UNO is undoubtedly a great moral force, influencing the world opinion in favour of peace and co-operation.

But it has certain handicaps. It seems to have been made into a screen for the furtherance of the selfish interests of the imperialist nations of the world. According to Dr. P. A. Sorokin, it is shot through and through with self-contradictions.

The principle of proportional representation based on the relative numbers of the citizens of the various countries is rejected! The reason is that under such an arrangement, countries like India, China, Russia, and other Asiatic Nations would have a greater representation than U.S.A. Thus the UNO represents a "camouflaged imperialism of the nations and

groups, bent on promoting their special economic, political and cultural interests, and unwilling to make any genuine sacrifices on behalf of the World Government.”¶ This is the reason why in spite of all this talk of “One World” and UNO, all the nations are feverishly occupied in enlarging their armaments and the fear of a third war which threatens to be fiercer than the previous two, is ever hanging above like the sword of Democles.

### Criticism

Thus far we have examined in detail the various social cures tried by the thinking sections of the world to set aright the social organism which has been disturbed by industrialism and its concomitant Capitalism. The cures, it may be noted, have not come one after the other, but they are being tried simultaneously in many countries. The cures are:

1. Communism,
2. Socialism,
3. Democratic Socialism,
4. Welfare State,
5. Fascism,
6. Nazism, and
7. The United Nations Organization.

Communism, Socialism, Fascism and Nazism stand for State Capitalism. Whatever claims they might make, they represent only so many varieties of Capitalism. “These all are notoriously militant and violent in their domestic relations. They maintain themselves through incessant coercion, extermination, imprisonment, banishment, intimidation, or mutilation of their opponents. They show scant respect for human life and liberty.”\* The sanction behind them is coercion and force.

The United Nations Organization constitutes the second variety of social cures. It may be said that it is making sincere attempts to resolve conflicts between nations and nations on broad bases. It is able to exert a civilizing influence on the society in general and offer wise guidance on broad lines in respect of education, health as also of political and economic problems.

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¶ Sorokin, P. A., *The Reconstruction of Humanity*, pp 18-19.

\* *Ibid.*, p. 33.

Democratic Socialism and the Welfare State represent a third variety to solve the problem of strife on partially democratic lines. But the capitalist forces are so subtle, pervasive, seductive and strong that all the efforts which are hostile to Capitalism are impeded and strangled. As a result, the western democracy is faced with the following problems:

1. Under Capitalism, the industrial organism was the economic basis which successfully solved the problem of production, leaving distribution to go its way. This order helped the concentration of money and power in a few hands, leaving the people at large without even the preliminary amenities of life. Democracy retained the economic structure and tried to raise the standard of life of the masses. But it could not succeed in accomplishing equitable distribution.

2. Democracy was able to secure freedom and equality in religious and social matters, but it feared and failed to release the common man from slavery and subordination in economic and political fields.

3. It could not shake off nationalism and eventually on the presentation of conflict between national interests and democratic ideal, the former generally dominated its decision, and compelled it to side with the ruling political party. This proved a self-stunting process.

4. Its duty towards its master i.e. the people, has been conceived in terms of material goods only. This wholly neglected the spiritual qualities of man. The result was that on the one hand, democracy played a slave to industrialism, and on the other hand, the individual, in spite of the supply of material amenities, was dwarfed, felt insecure and became fearful of the party in power.

In this manner, democracy as it has developed in the West has been tagged on to industrialism and man has been tied to the skirts of democracy, thus all these three frantically trying to move together. The result is that an eternal conflict has arisen between man and man and between nation and nation. As Wilfred Wellock has put it:

Violence, aggression and war are inherent in the 'world' economy which the West has so zealously cultivated during the 170 years of

the Industrial Revolution....Accordingly, we have slipped imperceptibly into the era of permanent war, cold or hot, and into the slough of a permanent war economy.†

Is not our present industrial economy only a part of this war economy? This is the reason why the present industrial relations are full of tensions and conflicts. They can be peaceful only when they become a part of a peace-based economy.

## CHAPTER XII

### PSYCHOLOGICAL APPROACHES TO INDUSTRIAL RELATIONS

Industries should be so organized that workers become not only co-sharers in the profits, but are also increasingly associated with the management and administration of the industries.‡

#### The Central Fact

The central fact which must be remembered in the study of industrial relations is that both the employers and the employees in an industry are not just the inanimate parts of its machinery but are live human beings with all the potentialities for desirable or undesirable behaviour. The knowledge of the characteristics of human nature, therefore, becomes a necessary part of the equipment of an executive in any industry. What do workers desire? How are they moved to act? How can their interests and working enthusiasm be stirred? Under what conditions, terms of employment and relationship with the employers, will employees' loyalty and co-operation be stimulated and sustained? How can individuals and groups be stirred to their best efforts? How can the relationship between the employer and the working-men be smooth, responsive and happy so as to ensure maximum benefits to all concerned? These are the crucial questions in an industry. It should require no argument to emphasize the fact that a psychological approach alone to these questions would enable us to give satisfactory answers. Expert study of the psychology of negotiations and of industrial

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† *Harijan*, 27-12-52.

‡ *Economic Programme Committee Report*, pp. 7-8.

relations, therefore, may well lead to an improvement of technique which would prevent a minor irritation from becoming an open sore.

### The Human Nature

Though the psychologists have failed to clearly define the term "human nature" to an average person, the term designates certain tendencies to activity which are instinctive rather than acquired. This conception results from a general tendency to separate the psychological self from the social self and to attribute to the former certain natural powers as distinguished from acquired traits of behaviour ascribed to the latter. Modern psychologists, however, are generally inclined to the belief that human nature cannot be properly defined as either native or acquired. It appears to be a composite of inborn and acquired characteristics which have become so closely interwoven as to be almost inseparable. § This makes the human organism eternally dynamic and progressive and human nature as "growing from within—generating normally and spontaneously, ways of acting and of responding to situations which are implicit in the fact of being human and being alive".\* Human nature is, then, merely a convenient term for designating "the totality of motives contradictory and often mutually exclusive in action, which constitute the electric current so to speak, which charges the human being with aliveness and continuing action".†

### The Constituents of Human Nature

Even though it is true that one man differs from another man and no man is exactly alike any other, there are certain basic traits in the human character which are common to all men, irrespective of their education or social position. This partial stability of human nature means that the same kinds of appeals and methods tend to secure the same kinds of response from different groups. This argues for a clear understanding of those characteristics and desires which are innate and those which are subject to change by education, habit-formation and appeals to reason and feeling. These basic or innate traits are:

§ Watkins & Dodd, *The Management of Labour Relations*, p. 78.

\* Tead, C., *Human Nature and Management*, p. 13.

† *Ibid.*, p. 15.

reflexes, instincts and proclivities to certain types of activity. These constitute what is known as "inborn self".

#### (A) REFLEXES

Reflexes are the simplest manifestations of behaviour. They are inborn responses which need only an appropriate stimulus to call them forth. Laughing when tickled, winking the eye when the organism is threatened, or contraction of the pupils in response to light are examples of reflex responses. In such responses "organisms act as much as puppets. They are lacking in autonomy. Their responses are governed solely by the structures with which they are endowed and by the external forces which happen to be operative at the moment of response."<sup>‡</sup> In the complex behaviour situations with which industrial relations are concerned, reflexes have little significance.

#### (B) INSTINCTS

An instinct, "like a reflex, is an inherited tendency to behave in a certain way in the presence of particular stimulus situations, or at least a desire to so behave".<sup>§</sup> The instinctive responses of the organism are a complex net work of inter-related activities. Internal stimulus and external stimulus conjoin to prepare the organism for response. Desires become motives, often reinforced by feeling and emotion, create the reality of experience. In this way instincts are powerful and innate motive forces underlying the thoughts and actions of every human being. They are the "essential springs of all thought and action".<sup>\*</sup>

There are three or four instincts which are of primary importance in connection with industrial relations. They are:

1. The tendency towards the acquiring of property, underlying the sense of proprietorship or possession, which is usually known as instinct of possession;
2. the tendency towards self-assertion, expression or display;
3. the tendency to escape from a situation that threatens pain or loss, with its characteristic emotion of fear; and

<sup>‡</sup> Munn, N. L., *Psychology*, p. 195.

<sup>§</sup> Watkins & Dodd, *The Management of Labour Relations*, p. 80.

<sup>\*</sup> MacDougall, W., *An Introduction to Social Psychology*, p. 19.

4. the tendency to meet hindrance or obstruction with aggression, accompanied by the emotion of anger.†

In a given situation, numerous instincts are likely to be concerned. In the building up of human personality, instinct plays an important part. It has, therefore, been rightly observed that "instinct is the representative of the race at work within the individual".‡

Instincts are variable and adaptive in response to environment. They are controlled and checked by developed codes of moral and social conduct evolved in the life of the group. Industrial and social progress would be inconceivable without the conscious control and direction of instinct. Complete surrender to the dictates of instinct would spell ruin for the individual and the society.

#### (C) EMOTIONS

Human nature consists not only of certain inborn tendencies described above, but also of certain ways of feeling in relation to particular kinds of situations. They are called emotions. The word "emotion" is derived from the Latin word "emovere" which means "to stir up". It can, therefore, be defined as "an acute disturbance of the individual as a whole, psychological in origin, involving behaviour, conscious experience and functioning".§

Much of the research on emotion has been focussed upon psychological concomitants. Emotion involves the whole nervous system and there is an increased evidence that many common gastro-intestinal disorders (such as stomach ulcers, and chronic constipation) are precipitated by chronic emotional states, especially anxiety. Emotion is fundamentally a drive to action. The organism under emotion is always in a state of suspense and tension. In the relationship of human beings, it is essential to remember that man and woman do not live by impulse alone nor yet alone by reason and intellect. Each individual invariably desires, often craves, emotionally satisfying experiences. This is the reason why group consciousness,

†Myers, C. S., (Editor), *Industrial Psychology*, p. 19.

‡Myerson, A., *The Foundations of Personality*, p. 108.

§ Young, P. T., *Emotion in Man and Animal*, p. 60, quoted in Munn, N. L., Cf. p. 263.

unity, solidarity and co-operation are developed and sustained through an appeal to and cultivation of the emotions of constituent members of the group. It is hardly necessary to emphasize, therefore, the importance of such emotions in industrial relations.

Fear, worry, anger, hate and love are some of the notable examples of these emotional expressions observed in industrial concerns and it is worthwhile, therefore, to analyse them with a view to understand their vital role in the formation of labour relations.

#### FEAR

Fear is a disturbed state of the organism which results when strange or sudden objects are encountered and cause efforts to escape. When subjected to fear, attention and thought are centred on the feared thing and on the urgency of escape. This makes the normal functioning of the organism impossible. It is true that like anger and hatred, fear can momentarily mobilize powerful resources in the individual; but they require constant stimulation to be kept effective. This is the reason why the machinery of war propaganda is always kept as vigorous as, nay—even more than—the execution of the war itself. In the management of industries, a motivation of fear has some justification in the promotion of safety and health programme. But constant appeals to fear in the forms of scolding or threats of unemployment, discharge, low income and discipline tend to destroy appeals to loyalty, workmanship and interest in the job.

#### WORRY

Continuous fear is worry which tends to gnaw at the vitals of the human mind and successfully arrests both its growth and expression. Most of us recognize its undesirability; but we continue to worry ourselves and make others do so. Worry upsets the normal function of the individual and makes him in course of time whimsical, neurotic and even lunatic.

#### ANGER AND HATRED

Anger and hatred are generated by unjust or obstructive conditions and like fear and worry are destructive of industrial goodwill and efficiency. An angry or malicious man is always



preoccupied, and unreflective and is ever negative and destructive. Anger begets anger as also opposition, resentment and non-co-operation. All these make the smooth working of the industry impossible.

### LOVE

Love or affection which is primarily social, parental and cohesive in its stimulation, is an effective and significant drive in human behaviour. Unlike the above emotions which are dissipative and destructive, love is conservative and creative. Love is the very soul of peaceful industrial relations. Industrial history is replete with examples of the efficacy of this emotion in developing devotion, loyalty and co-operation. Love is infinitely more effective as a propelling force of productivity than fear, anger or hatred. Tolstoy calls love "the only law of life" and "the striving of man's soul towards unity".\* Gandhiji wrote: "It gives me ineffable joy to make experiments proving that love is the supreme and only law of life."†

### (D) HABITS

Man is primarily a creature of habits. Throughout his whole life, he is engaged in the formation of habits and the satisfaction of most of his physiological needs depends upon habits acquired from others. Psychological habit is a force which impels one to activity and has within itself a certain ordering of its own elements. This is as true of mental habits as it is of physical habits.

The importance of habits in the workers of industrial establishments can hardly be exaggerated. Jobs require habit formation. This phenomenon is often referred to as the "force of habit". Habits once formed act somewhat as drives impelling us to continue the accustomed ways instead of taking up new ways of satisfying our motives. In the following remarkable passage, William James has given his analysis of habit:

Habit is the enormous fly-wheel of society, its most conservative agent. It alone keeps us all within the bounds of ordinance.... It alone prevents the hardest and most repulsive walks of life from being deserted by those brought up to tread therein and save the children of fortune from the envious uprisings of the poor.... You see the little lines

\* *Recollections and Essays*, p. 435.

† *Harijan*, 13-4-'40.

of cleavage running through the character, the tricks of thought, the prejudices, the ways of the "shop", in a word, from which the man can by and by no more escape than his coat-sleeve can suddenly fall into a new set of folds.†

Thus habit generally tends to make working-men resist any change in their life so far as it is possible. This would, however, give a special advantage to the employer if he would or rather could at all care to be cautious enough not to be a victim himself to the routine of habit! Correction of undesirable habits of life and work, must begin with the removal of the causative conditions and with the determination to rebuild the behaviour pattern.

### **The Interrelation between Mind and Body**

Industrial psychology includes industrial physiology because it is not possible to separate mental from bodily activities in their interrelation and interaction. Behaviour is a function of structure as also of the health of the organism. Low vitality, undernourishment, continued wrong eating, over-exercising, bad liver, weak lungs, chronic fatigue, anemic or rheumatic condition or any other organic or nervous disorder can so successfully deprive a man of health-mindedness that interest in work or any other enthusiasm is out of question. This modifies not only industrial production but behaviour also of working-men. The managers, therefore, should remember that the soundness of any procedure of evolving peaceful industrial relationship depends, first of all, upon ability to square itself with the demand of the workers for "physical wholeness". Indeed, enthusiasm, skill and morale of the industrial as of any other workers are rooted in good health.

### **Personality in Industry**

From the foregoing analysis, we can see that human nature or the human personality is the manifestation of the interaction of all our reflexes, instincts, habits, impulses, desires and purposes. It can be defined as "the most characteristic integration of an individual's structure, modes of behaviour, interest, attitudes, capacities, abilities and aptitudes".§ The strongest inherent human tendencies are potentially fine and generous. The

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† Quoted in Munn, N. L., *Psychology*, p. 234.

§ Munn, N. L., cited before, p. 457.

conspicuous human desires which are seeking constant expressions are the positive characteristics of love of family, of association, of creation, of assertion, and of group approval. Thus human personality finds its expression, development and fulfilment in the demand for fullness of life, creative power, comradeship and love. This fulfilment of personality liberates in the individual those qualities which make him free, active and energetic. This naturally enhances the industrial production. Thus the manifestation of these positive energies not only satisfies the individual but also contribute to social upbuilding. In this way, fulfilment of an individual personality becomes a fact of social significance also. Who would deny that the sole duty and purpose of the State, worth the name, is the creation of society which would help the development of all its people into fine, free, generous, industrious and happy human beings?

The purpose of industry, as indeed of all the departments of a State, is to serve the needs of its citizens or individuals. It implies that as a condition for the development of the individual, there must exist in an industry a reasonable freedom for choice of work, for leisure, for growth, for free association, indeed for the exercise of the whole gamut of human faculties. This is possible only when there is a wide recognition of the supremacy of human personality and of the human happiness in the industry. Also we must acknowledge that human beings natively and fundamentally prefer doing good to doing evil, prefer creating to destroying, prefer approval to disapproval, love to hate and happiness to misery.\* This innate human nature is the basis of peaceful industrial relations. Did not Gandhiji always appeal to the best in man?

This leads us to a basic psychological question: How to control and direct human beings so as to enthuse them for the maximum production ensuring simultaneously maximum expression and growth of their personality? The industrial psychologist is primarily concerned with the mind of the worker; his interest is centred in the creating of all the stimulus situations as related to the behaviour of the worker. He starts with the fundamental assumption that human nature is more completely subject to the laws which can be discovered and

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\* *Personnel Administration*, cited before, p. 33.

applied and that the growth of the worker may be so guided and directed as to assure a relatively satisfactory adaptation to situations, and that situations may be so altered as to eliminate undesirable conduct and encourage desirable conduct. This can be effected by means of stimulus situations which can be determined by a study of responses. Desirable and effective responses can be cultivated through modification of all stimulus situations which can fairly be made enduring in their relation to responses.

### Development of Motivation

The industrialist wants to develop a motivation or urge to action in these working-men which of itself spontaneously generates from within their efforts to get the results sought. But he has made until now comparatively little use of the extraordinary resources of applied psychology in management. Employees must be made to understand clearly the general aims of the enterprise and they must be convinced that such aims can be reconciled with their own self-interest. They can be energized only "when objectives which can humanly be expected to interest them are adopted".†

### The Transformation of Human Nature

Control of human nature involves three processes: transformation, repression and direction.

E. R. Guthrie poses this question in his *Psychology of Human Conflict*‡ thus:

What can we poor adults, do for ourselves, all encrusted over as we are with years of thwarted personalities? There are some things we can do, but you must have "guts" to go through with it, for it will take a long, long time.... In a year or two—not sooner—you will find that your old personality has begun to crack around the edges. Soon you can shed it.

In the opinion of another writer "human nature conceived as the sum of inherent and acquired characteristics exhibited in behaviour, does change and develop both in the life of the individual and that of the race".§ It is true, however, that in the present complex organization of industry, control of human nature requires a skilful handling which involves an intelligent

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† *Personnel Administration*, cited before, p. 10.

‡ Quoted in *Psychology*, cited before, p. 477.

§ *The Management of Labour Relations*, cited before, p. 90.

selection of forms and methods of expression. Such competent management can soon realize that human nature is greatly modifiable and changeable.

### The Repression of Human Traits

Repression is always the resultant of conflict which arises when impulses which are incompatible with one another, or rather, which determine modes of behaviour that are incompatible with one another are evoked simultaneously. The result of this conflict is the formation of an emotional complex and repression. Even if the attempt to repress is successful, the success is likely to be temporary because repression is not annihilation and probably more violent destructive outlets will be sought for the expression and satisfaction of those repressed and basic impulses and emotions. Suppressed psychic energy like physical energy is not capable of being destroyed. Suppression may damn its use for a time but it awaits the earliest opportunity for release and expression. John Dewey puts the phenomenon thus:

If it is neither exploded nor converted, it is turned inwards to lead a surreptitious, subterranean life. An isolated or spasmodic manifestation is a sign of immaturity, crudity, and savagery; a suppressed activity is the cause of all kinds of intellectual and moral pathology.\*

Thus suppression of the natural self inevitably leads to psychic revolt against those conditions and persons responsible for suppression. Efforts should, therefore, be made in the interest of the industrial peace, efficiency and progress so that the natural and legitimate channels through which this self is expressed shall not be blocked but are allowed to follow without interruption.

Carlton H. Parker has described in his *The Casual Labourer and Other Essays*† the effects of repression in the worker:

First, he weakens, becomes inefficient, drifts away from the plant, loses interest in the quality of its work, drinks or deserts his family; or second, to dignify himself, to eliminate his sense of inferiority and humiliation, he strikes, commits violence, or stays on the job and injures machinery or mutilates. Dynamite conspiracies may appeal to him and he may welcome sabotage as a justifiable means of reprisal....He has departed from a state of psychic normality.

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\* *Human Nature and Conduct*, p. 157.

† Quoted in *The Management of Labour Relations*, cited before, p. 94.

## Sublimation of Impulses

We have thus far seen that repression, if it is allowed to continue unremedied and unabated, the workers would hamper the progress of the industry and may even liquidate it. It becomes, therefore, necessary for the managers and the industrialists to try to neutralize the ill feelings either by removing the causes that engender them or by intelligently directing the energies of the workers in wholesome channels. Such direction in psychology is known as sublimation.

Sublimation is a process of high importance both for prevention and cure of such disorders. Its essence is the raising of the plane, which may either be intellectual, moral or aesthetic, upon which our tendencies operate. The first condition of sublimation is some degree of restraint of the native impulses because, in the absence of all restraint, they will inevitably give rise to various forms of impulsive behaviour which are hardly superior to that of animals. William McDougall, in his *Energies of Men* distinguishes between repression and restraint in the following way:

Repression is restraint plus disguise and is the main ground of continued sub-conscious conflict. Repression involves, not only the waste of the energy of the repressed impulse, but also waste of energy required for the continued restraint of that impulse. It involves in some degree division of the personality.... Restraint leads to sublimation, the energy of restrained impulse is guided into useful channels where it co-operates in sustaining activity directed to goals consciously approved by the whole personality. Sublimation is thus a synthetic process, without which integration of the personality can hardly be achieved.†

We have, therefore, come to the conclusion that rational control of the working-men and women and sublimation of their inborn undesirable traits alone would bring about happy industrial relationship.

Two sets of problems claim the attention of scientific management here: One set is technical and is centred in the efficient and economical organization of money, materials, equipment and machines. The other set is psychological and physical and is centred round the effective organization and management of labour. The improvement in industrial relations lies, therefore, along the line of the scientific adjustment

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† p. 307.

of the machine-methods to native tendencies and acquired habits of thought and behaviour, and in the reorganization of the working environments with a view to the freest liberation of the human faculties. But how can that be done?

### CHAPTER XIII

## PSYCHOLOGICAL SOLUTIONS IN INDUSTRIAL RELATIONS

The task of the non-Communists is to change the conditions out of which Communism has grown; only by going forward with equal ardour and deeper foresight can we meet their challenge.§

—H. J. Laski

### Rational Direction of Psychological Tendencies

In the preceding chapter, we have broadly analysed the main psychological traits which demand solution before the industrial relations are amicably adjusted. These psychological solutions become a possibility only when a manager endeavours to understand sympathetically the mental working of his labour population before he controls and guides it. Sympathetic understanding and rational direction help him supplant the errors and perversions of the workers. He must recognize that all parties to the industry have definite ideals and interests which must be rationally and intelligently guided, if industry is to escape the disastrous consequences of excessive indulgence in the emotional and explosive reactions of the primitive self. There is a frequent conflict between instinctive and acquired modes of behaviour of workers on the one hand and the policies and practices of the management on the other. These must be harmonized if industrial goodwill, peace, and efficiency are to be realized. The workers' whole nature must be intelligently understood, properly stimulated and rightly directed if industry is to function peacefully.

### How to Appeal to Workers

What the workers typically want, how they are moved to act, how their interest and working enthusiasm can be stirred,

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§ *Trade Unions in the New Society*, p. 169

under what conditions, terms of employment and organized relationship to the company, will their loyalty and co-operation be stimulated and sustained—these are the crucial questions for the executives to answer. They should understand that they are not getting full value from workers until the latter's attitude is one of willing enthusiasm and intelligent application.

Home, family, prestige, security—these are as significant and influential in controlling the life of the humblest worker as in controlling the life of the president of the corporation. The same kinds of appeals and methods tend to secure the same kinds of response from the different groups. Idcas, purposes and aspirations which are found to have an appeal for limited groups will certainly find a general appeal, if only human nature is understood in its entirety and dealt with in sympathy.

### Energies of Men

The energies of men are varied and capable of diverse sublimated expressions and developments. The eminent social psychologist William McDougall has in a detailed discussion shown how these varied energies are developed and sublimated. According to him the sex-energy is expressed in the romantic and idealistic longings of the adolescents, in verse, song or other art form, in self-assertion, self-respect, ambition, efforts at self-development and self-discipline; fear is sublimated in caution, prudence, awe, reverence and a "sense of the sublime"; the submissive impulse is sublimated in respect and admiration; curiosity in wonder, awe, and scientific endeavour; disgust in scrupulosity and in the dislike of all which is dirty, squalid and mean; the crude herd-tendency in friendship and sociability; anger in all controlled efforts that encounter opposition and even hunger is to some extent sublimated when our meals become decorous, social festivities.\*

### The Acquisitive Instinct

This is a fundamental impulse to assimilate objects and events to one's ego or self. This innate tendency in association with self-protective and creative tendencies has helped man from one stage of civilization to another till at last he has

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\* *The Energies of Men*, p. 311.



reached the society which is known as "acquisitive" where the wealth and possession of things have become the basis of social prestige and power. They tend to give one a feeling of importance in the social and economic order. Material possessions have become an influential factor in men's ability to bring a sense of personal status through social approval.

Acquisitiveness, therefore, is a powerful incentive to activity. This is the reason why schemes of production-bonus, profit-sharing, etc. are powerful incentives to labour and succeed in eliciting co-operation which emerges from the ownership-impulse. The modern movements towards the control of industry by workers and of nationalization emanating from progressive employers or from the advanced wings of the labour party are the most mature and promising expressions of the primal tendency of acquisitiveness. This human characteristic, therefore, has a stabilizing influence of social value.

It is a good quality if it is kept in balance by other factors like love of family, creativeness, desire for approval or competitiveness. "There are innumerable instances in the industry where workers are seen to have developed a sense of ownership in machines which, in reality, they do not own, but which they have tended for a long time."† When this impulse of ownership is satisfied in a reasonable way, the workers not only work with enthusiasm and fullness of spirit but help enhance production and develop a respect for property. Under such circumstances, sabotage and violent destruction of property diminish. The appeal of Socialism is to the sense of propertylessness, of expropriation and of justice. An appeal to acquisitive instinct, therefore, can largely wean labour away from taking any drastic step hostile to the industry.

It is well known that ownership and responsibility breed conservatism and an aversion to revolution. Those, therefore, who are inclined to water down revolutionary urge by reformism, as well as those who intend to plan for a new peaceful social structure must recognize this innate tendency and must utilize it as a powerful incentive to better production and a sure road to contented labour.

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† *The Management of Labour Relations*, cited before, p. 103.

## Gregariousness

Gregariousness or "herd-instinct" is, according to some writers, largely responsible for the whole of man's social behaviour. Isolation seems to create for man an unpleasant strain which is only relieved by getting back to their own kind. It is argued by some that this very tendency is partly responsible for the existence of the factory because it assembles the hordes of people in the great beehives of modern industry and facilitates immigration from the isolated rural community to the congested cities. According to R. S. Woodworth, this instinct is not satisfied merely by being herded together. "There is an impulse to *act* together, as well as *be* together... Society is essentially an activity or behaviour and the social motive is the tendency to engage in group activity."<sup>†</sup>

Shop committees, trade unions, and other labour organizations are unquestionably an asset in satisfying this innate yearning for comradeship. Such associations, therefore, should be taken as absolutely natural and there should be no attempt on the part of the management to break them down. In all the advanced countries of the world, this expression of the gregarious impulse is accepted as a natural and healthy activity which must be nourished and not destroyed. Indeed a normal employer would never look with suspicion at such activities but would rather make use of them to know the mind of his workers, so that he would be able to counteract their destructive expressions by means of his sympathetic and constructive schemes. Group bonuses, incentive payments, employee committees, safety contests, etc., are tangible procedures by which this desire for association, for status and for approval can be integrated in the interests of all concerned. "Successful management of men is possible only when the employers take cognizance of this associational tendency of man."<sup>§</sup>

## Sensitiveness to Social Approval

Closely associated with gregariousness is the dominant search for the approval of those with whom we associate. Social approval brings with it honour, prestige, and even monetary gain with an inner satisfaction of successful accomplishment.

<sup>†</sup> *Dynamic Psychology*, p. 197.

<sup>§</sup> *The Management of Labour Relations*, cited before, p. 106.

Nothing succeeds like success and the social approbation naturally stimulates man to further and even more arduous activities. This widens his social relationship which brings in added approval. Approval ripens into affection. The major role of affection in deepening personal relationship and also industrial relationship in the setting up of industrial jobs has not been thus far realized.

The social disapproval, on the contrary, has a blighting effect on the individual. The fear of social ostracism is deterrent of anti-social conduct. In industry, harsh and hasty censures and disciplinary actions are frequently provocative of discontent and antagonism. Arbitrary exercise of autocratic executive powers, severe chastisement and punishment of workers by fines, demotion or discharge invariably breed in the labourers dislike and distrust of the management which is expressed in ca'canny tactics, sabotage, lack of co-operation and in embittered class consciousness. These adverse results are not likely to happen if criticism and even rebuke are offered in a firm but friendly manner. Moreover, when creditable work and achievements are recognized, appreciated and rewarded by the management, "there is a noticeable effect on the workshop morale, co-operation and loyalty." The desire for approval if properly used is an immensely constructive force. The manager must, therefore, employ for the supervisory positions, men who have vision, broad-mindedness and generosity which would excite admiration and elicit affection of the working population.

### **Creative Experience in Work**

Scientific observers of human nature have concluded that the instinct of construction or the creative impulse is a genuine urge of man's nature. A craftsman's incentive to industry is not the mere gaining of a livelihood but the satisfaction of his desire to create things in which he finds adequate expression for his capacities. For most of us, the satisfaction of having actually made something is very real, apart from its being useful or otherwise. This fundamental desire to make something which is rooted in this instinct, is "a contributing motive to all human constructions from a mudpie to a metaphysical system or a code of laws".\*

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\* MacDougall, W., *An Introduction to Social Psychology*, p. 88.

According to Bertrand Russell, "a life lived in this spirit—the spirit that aims at creating rather than possessing—has a certain fundamental happiness, of which it cannot be wholly robbed by adverse circumstances."<sup>†</sup>

In ancient and medieval times, the systems of industrial production stimulated careful craftsmanship but the modern method of machine production with its subdivision of labour, monotonous and repetitive operations, excessive speeding up of work, rigid discipline and close supervision militate against careful craftsmanship. Not only that, the worker tends now to become a mere adjunct to the machine. The monotony of the machine has a dulling effect upon the mental life of the worker and consequently, he is losing—alas! to regain no more—the creative urge of his forefathers and has preferred till death the deadening slavery of the machine. And slavery it indeed is, because tending a machine with all its repetitive processes has become such a pleasant routine for the workers that shifting from one job to another really bothers them! Thus the efficiency of modern industrialism has put a premium upon the mental deficiency of the workers. For the normal lot of workers, monotony of the machine intensifies labour strain and unless relief is found through variations in physical and mental effort, it tends to have disastrous results upon the workers, because they do not, in the modern machine production, get the same creative joy which their forefathers did in their crafts.

Secondly, scientific management in modern industry seeks to transfer to itself the body of knowledge and skill formerly monopolized by the craftsmen and to centralize it in the research laboratories where it is analysed, standardized, and mechanized, and then handed back in separate unit processes to semi-skilled workmen. In this way, the employer appropriates the ideas and inventions of the craftsmen without in all cases giving them either financial or non-financial recognition. Such a policy of exploitation tends to discourage creative effort. But in the very nature of things the creative instinct has an important place in workers' life. Every effort, therefore, should be made to introduce a variety into the performance of the work and to provide for the workman a larger scope for his craftsmanship and self-direction.

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<sup>†</sup> *Roads to Freedom*, p. 188.

The strength of the creative urge varies directly with mental and physical vigour. The greater the surplus of muscular and nervous energy there is in the workers, the greater would be their urge to creativeness. Hence the managers should provide them with a proper working environments and at least a minimum standard of physical health and mental comfort.

### Play Impulse

The play and creative impulses are closely related and are supplementary to each other. A healthy creation excites play and fun and vice versa. The play instinct has the unique capacity of levelling away mental aberrations and energizing life. The fact that a majority of workers appear to find no play in work is symptomatic of an obvious maladjustment of the modern industrial organization. It is common knowledge that many workers seek relief in drinking, sexual excesses, gambling, etc. which conduce to physical degeneracy. "The constant nervous and physical exhaustion which the workers suffer in intolerable conditions would prove too great a strain, were it not for some such avenues of escape."†

Experience in administration of industrial relations has shown that by improving the workers' opportunities for helpful recreations like games, *akhadas*, swimming, excursions, etc. their leisure time can be made more profitable both physically and mentally. This eliminates their depression and fatigue and refreshes them for the next day.

### Curiosity Impulse

The impulse of curiosity may be regarded as the main source of intellectual energy and effort. It is at the root of science. It is this propensity of the modern mind which more than anything else, is the source of man's immensely increased power over nature.

In industry, people work more efficiently when they have a scientific knowledge of their jobs. These two virtues, namely, efficiency and knowledge, are the outgrowth of curiosity. Scientific managers, therefore, should encourage employees to learn the elements of machinery and the manufacturing processes. Thus wider latitude should be given to the inventive

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† *The Management of Labour Relations*, cited before, p. 108.

and curious nature of the workers. Knowledge, thus given, would enhance their efficiency and joy of work. In the absence of this knowledge, they would be, in the words of Adam Smith, "as stupid and ignorant as it is possible for a human creature to become". Good personnel work is that which encourages workers to be more alert, curious and thoughtful.

### Self-assertiveness

This instinct is described also as self-display, mastery, domination and ostentation. It is the characteristic of a human being to want to develop outstanding personality. "Almost everybody wants to be somebody and somebody, a little better than any other body."§ This urge of self-assertion is closely related to the desires for rivalry, approval, workmanship and ownership.

In industry, the talents of innumerable workmen lie buried because the managers generally do not care to understand their working-men psychologically, with the result that the workmen are denied opportunities for self-expression and self-assertion. Moreover, the general policy also of the management is to suppress individuality and to encourage or force a spirit of docility and meekness. The loss of initiative and of the spirit of achievement, the absence of will-power and of self-respect and the administrative policy of suppression are the inevitable consequences of the modern mechanized industry.

This suppression of self-assertion gives rise to labour troubles. They take the form of demands for higher wages, a shorter workday and improved conditions of employment. The men may insist on a voice in the determination of shop rules, policies and conditions. They demand the right to organize and bargain collectively either through company unions or independent unions.

These expressions of self-assertive tendency on the part of the workmen should be regarded as legitimate and should be studied dispassionately and rationally by the employers. The problem should be discussed by the leaders of both the parties.

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§ *The Management of Labour Relations*, cited before, p. 109.

round a table.\* This policy of mutual discussions would go a long way in smoothening industrial relations.

It should be remembered that such demands from labour are not infrequently backed up by an argument of justice and fairplay. In these days of economic upheavals the contents of justice and fairness described in the following passage is pertinent:

That there should be some approximate relation between expenditure of effort and reward is now generally thought to be fair. That passive absentee ownership is sufficient justification for the receipt of income is, conversely, being increasingly thought to be unfair. That full authority over shop affairs and terms of employment should be vested in the management alone is also being questioned by many as unfair. That the continuance and extension of basic essential industries should depend upon the willingness of private investors to lend money is another condition which some groups in the community believe unfair.†

In industry, while self-assertion is displayed on a collective basis, tendency to submission is seen in individual labourers. This is not surprising inasmuch as individuals find it impossible to assert their position in face of the opposition from the management. The self-assertive workers, therefore, wisely choose to back up their cases with the support of labour unions or organizations.

But here as elsewhere there are men and women workers, who apparently take pleasure in being supervised or bossed over, who labour strenuously and joyously, provided some one else is there to direct them. The submissiveness is born either of fear, admiration or downright inertia. Spontaneous submission may be a healthy characteristic, but the employers should not exploit it.

### Pugnacity and Rivalry

When the self-assertive tendency fails to make headway and experiences frustration, a forceful labour organization

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\* Cf. "Meetings, at some of which management explains its objectives and the means proposed for achieving them, and at others the rank and file has ample opportunities to present suggestions for improving the conduct of the common enterprise should be the natural outcome of *esprit de corps* and of a democratic approach which has already been established."—Cooke-Murray, *Organized Labour and Production*, p. 92.

† *Personnel Administration*, cited before, p. 30.

becomes pugnacious. The instinct of pugnacity is the prompting to fight. It is frequently expressed in activities to escape from restraint, to overcome obstacles and to counter-attack. Anger and fear are the two forces which stimulate pugnacity. The strike and the lock-out are the mediums of expression for this impulse. This fighting tendency can be nullified if it is demonstrably proved to the workers that a spirit of justice pervades employment policies. "There is experimental basis for the belief that industrial workers will seldom revolt against an employer whose employment policies and practices are founded upon principles of fair play."<sup>‡</sup>

William MacDougall presents a different analysis of this tendency:

The emulative impulse tends to assert itself in an ever-widening sphere of social life encroaching more and more upon the sphere of combative impulse and supplementing it more and more as a prime mover of both individual and society.§

His analysis of national pugnacity seems to be original:

There are unmistakable signs that the pugnacity of nations is being supplanted by emulation, that warfare is being replaced by industrial and intellectual rivalry.¶

According to him, the nations which were warring with each other in the past have now wisely decided to form common organizations like the League of Nations or the United Nations Organization. The former organization being mainly political and based on short-range objectives had naturally an early grave. The latter covered a very wide range of activities touching all sides of life of the member-nations and eventually has commenced to evolve common programmes of economic progress, educational advance, medical relief, etc. In this manner, the once warring nations have chosen to be co-operative and helpful to each other. This naturally entailed a spirit of emulation. Thus belligerency is being substituted by rivalry and imitation.

The instinct of pugnacity is directed to acquire not only the mastery or domination over an object but its destruction. if necessary. Emulative impulse, therefore, is decidedly an

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<sup>‡</sup> *The Management of Labour Relations*, cited before, p. 108.

<sup>§</sup> *An Introduction to Social Psychology*, cited before, pp. 293-95.

<sup>¶</sup> *Ibid*.



improvement over the primary instinct. Emulation is a conservative force of society. It eliminates fight and stimulates similarities between individuals. This impulse of emulation, therefore, is necessary to bring about social solidarity and progress.

In industry, pugnacity can be neutralized: firstly, by removing the causes of labour discontent and organizing the administration on an equitable level; secondly, by deflecting the pugnacious instinct to fight social evils of the labour community like drink, gambling, insanitation, illiteracy, etc. This will bring about the physical and natural prosperity of the labour class and will enhance its morale.

### Parental Instinct

This instinct is the foundation of the family. All who have given serious attention to this question are agreed that the stability of the family is the prime condition of the stability of any healthy community or society. It is probable that this instinct in conjunction with sex instinct directly impels human being to great activity, effort and toil, than all the other motives of human action, taken together. It is this urge that explains the unstinted spirit of sacrifice that drives even mothers into the factory and keeps them there in spite of the accumulation of fatigue and adverse effects on health. After all, a job means an income, and an income means food, shelter, clothing and comfort. This instinct, therefore, has an important place in the consideration of industrial relations. It is for this reason that the managers must be prepared to take a long-range view while determining the employment conditions, if they desire to harness fully the capacities of their employees. Due consideration should be given to the maintenance and habitation of not only the workers themselves but of their families also. Free or partially free medical and maternity services, educational facilities, including sports, recreation etc. for the workers and their children, provision of light, remunerative work to the parents of the workers, in short, regarding the workers' families as the unit in the place of the workers would go a long way in making the labour population contented. It is the common experience that when a labourer is happily placed in his family, he works with greater enthusiasm and is averse to any quarrel. Such

consideration for the family was present in the beginning of the industrial organization in England between 1603 and 1760 when the industry began under the roof of the owner and the workers worked as so many domestic servants. This method made the industrial relationship more intimate and cordial and the workers worked with full and easy heart.†

### Adjustment of the Personality

It is unfortunately true that the introduction of machinery in the human society all over the world has created many problems, the psychological ones being as important as any other. As a consequence, the workmen have grown up as a special class with some typical characteristics. An average labourer is morose, apathetic, unstable, alternately elated and depressed, quick-tempered and sexually obsessed. He is the victim of more or less deep-seated maladjustment. It is a clear duty of the employer to systematize the industry in a way which would restore labour to a position of absolute equality and if he fails to do so, the Government and the public at large are bound to compel him to do the right by labour. Well has Shree V. B. Kher argued:

The individual is the corner-stone of the edifice of Gandhiji's Svaraj....Society is an aggregate of individuals. It creates a State to govern and to administer law.‡

The science of psychotechnology whose findings on industrial psychology are discussed in a nutshell in this and the preceding chapters has offered its services for the purpose of harmonizing industrial relations. The record of its accomplishments is already impressive. We want the industrial relationship to be as normal and happy as any other relationship. This would be possible only when both the employers and employees develop vision, generosity, love and social sense to a sufficient degree.

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† Cf. "Of all these classes of workers, it is true that they were more than their own masters, that they had a wider range of initiative, that their homes and their children were happier in 1760 than they were in 1830." —Hammond, J. L. and Hamond, Barbara, *The Skilled Labourer, 1760 to 1832*, p. 4.

‡ Introduction to *Economic and Industrial Life and Relations*, Vol. I, by Gandhi, M. K., p. xviii.

## PEACEFUL COLLECTIVE AGREEMENT

I mean not that the other men be eased and ye burdened; but by an equality that now at this time your abundance may be a supply for their want, that their abundance also may be a supply for your want; that there may be equality.‡

**Agreement and Not Bargaining**

In the preceding chapters dealing with the duties and responsibilities of the four parties to the industry; we have seen that in Gandhian thinking, the employer and the employee are not regarded as natural opponents whose interests are inherently conflicting. Rather, they "would be mutual trustees, and each believes that his own interest is best safeguarded by safeguarding the interests of others".§ Shree K. G. Mashruwala in his message to the Ahmedabad Labour Union on its Foundation Day Celebration, while emphasizing the same point, wrote:

Gandhiji taught to the people of Ahmedabad that there was no inherent conflict between capital and labour and that it was possible to establish harmony between the two; he showed also the way of doing so.\*

Thus the relationship between the two parties as was envisaged by Gandhiji, was one of co-operation and collaboration. Such helpful attitude on the part of capital would encourage labour to develop its personality in all its aspects and such co-operation would progressively eliminate political, social, and economic exploitation and inequality. The workers, thus awakened, would automatically exert a salutary influence upon the economic ambitions of the employers and the anti-social concentration of power in any form. This process would lift labour to a sense of equality with the capitalists and would not think of dragging them down to their own level. In this manner, both would be free from their respective complexes. In case, differences arise between them, they would start negotiations as co-partners of the industry. These negotiations would

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‡ 2, Corinthians, 8.14.

§ *Harijan*, 25-6-'38.

\* *Harijan*, 9-12-'50.

be democratic and free from dictation on either side. "Bargaining" which is the word by which such discussions are generally known, connotes a natural tendency to emphasize one's own interest. "Agreement" which is the word we have substituted denotes consideration of common interests and compliance thereto.† This attitude is a natural corollary of the acceptance of non-violence.

### Human Approach

One should visit any modern factory and he would at once realize the utter lack of human touch in the huge organization. An American writer thus describes a modern textile mill:

The loss of economic independence, miserable wages, unemployment, hideously long hours, monotonies, fatigues and repressions on an unprecedented scale, new diseases, epidemics, accidents, a mounting death rate, the unemployment and destruction—physical and moral—of women and little children, slums, barracks, cellars, noise, dirt, smoke, a devastating ugliness in working place and living space, the play and education of the village culture gone, and nothing to replace it. On the other side, mountains of calico cloth...and a few men richer and more dictatorial than it is good for any man to be.‡

This supreme lack of humanity in the industrial set-up is the first reason of the disturbed relationship which we see today. The cure lies only through the human approach to the problem. That approach consists in both the employers and employees regarding each other, first as human beings, and only secondly, as parts of the industrial organism. Man must come prior to machine and humanity must dominate industry. "If one strikes the strings of a musical instrument in the right way, he can produce enchanting music. In the same way if one is able to touch correctly the chords in the human heart, he can have a symphony of life." Gandhiji believed, "If the human nature is rightly approached, it is bound to respond to any noble and friendly action."§ He rejected the theory of "permanent inelasticity of human nature".\* He propounded that in the application of the non-violent method by labouring population towards

† In the labour laws of Denmark, which is for a long time under a mainly "Pacifist Socialist Government", the word "Agreement" is used and not "Bargaining". *Industrial Relations in Denmark*, p. 5.

‡ Chase, Stuart, *Men and Machines*, pp. 130-31.

§ *Young India*, 4-8-'20.

\* *Harijan*, 7-6-'42.

the capitalist or vice versa, one must believe in the possibility of every man, however depraved, being reformed under humane and skilled treatment.† Such consummation in obdurate cases may naturally demand more suffering; but given sufficient non-violence and patience, the conversion of the opposing party is bound to happen.

If one refuses to be duped by current catchwords and slogans, he must pause and think of the natural state of relationship which must exist between those who are destined to work together. Is it desirable that the members of a family should constantly quarrel with each other or the citizens of a nation should keep fighting with each other in the name of religion or caste or class? Is it not wisdom that the very fact of their working together in the past and in the future, should induce them to evolve a common ideological platform on which both would work together amiably and amicably?

Such human approach can be developed only when the management endeavours to create a sense of common interest in the minds of the workers. This must find expression in the mutual confidence and equitable remuneration for all parties. We reach co-ordination only when all efforts are directed towards one end. The unity of purpose and endeavour is a vital part of an organization which is very necessary for its growth. This unity breeds both in the employers and the employees a realistic common understanding of their interdependent needs and interests and of the effective means of developing and maintaining such understanding. Thus co-ordination develops in the organization a kind of happy wholeness or completeness, a feeling of 'satisfying sufficiency and in the individual, an integrated personality. This feeling of integrity is a vital need of modern industry. It would readily be admitted that modern industry has woefully ignored this important phase of its career and consequently is suffering many disintegrating complexes. The question which we must consider now is: How is the human approach to be expressed in the working of industry? In the preceding pages, duties and responsibilities of both capital and labour have been discussed. The last phase of the discussion

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† *Harijan*, 22-2-'42.

now of a Gandhian trade union is: How to effect collective agreements in a peaceful way?

### Personal Contact

The peaceful way in the Gandhian thought is not an isolated and unrelated phenomenon. Rather it is the supreme culmination of a long link of live connections, both psychological and administrative, between all the industrial agencies concerned which emphasize triple unity of purpose, action and life. The first important link is the personal contact of the management and the workers.

Gandhiji's conception of industry is predominantly co-operative, collaborative and co-ordinative in which both the parties are expected to join with a sincere heart and the Government is expected to be helpful to them in their common endeavour. It is true that this conception of industrial relationship could more easily be operative when the industrial units are of a size which permits of personal contact between the employer and the employees. In small industries, conflicts might arise, clash of interests and of strongly held opinions might result in failures to agree, and misunderstandings might mar the harmony of the smooth relationship. But personal contact between the management and the workers serves as a great leveller and the road to understanding and agreement presents fewer obstacles. But in big organizations, personal contact becomes difficult, if not impossible. Ways should, therefore, be found out for occasional meetings of the management staff and the workers like Annual Day Celebrations, religious and social festivals etc. Such encounters would be found to be very helpful in fostering goodwill between the parties. It is needless to say that we should emphasize in such meetings free discussions and conversations. Such social contacts serve a useful purpose in the formation of the mutual relationship and trust. Modern industry on account of its association with machines has grown supremely steeley and static and apathetic to any human appeals. Walt Whitman stated:

Be not disheartened—affection shall solve  
the problems of freedom yet;  
Those who love each other shall become invincible—

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Were you looking to be held together by lawyers?  
 Or by an agreement on a paper? or by arms?  
 Nay, nor the world, nor any living thing will so cohere.¶

Such personal contact would promote deeds which provide normal relationships, healthful surroundings, and creative outlets for energy of the workers. They thus reduce frustrations to a minimum, as also lessen anger, resentment and violence.

### Formation of Organization

The Mahabharata has said that "the united and the organized alone are powerful."‡ Labourers must organize themselves in order to be effective. When personal contact becomes difficult or impossible owing to the largeness of the industrial organism, such organization becomes a necessity. Closest co-operation amongst the labourers is absolutely necessary. "To this end special organizing bodies or committees should be formed where there are none, and those already in existence should be reformed where necessary."§ "Labour in India is still extremely unorganized. The labourers have no mind of their own when it comes to national policy or even the general welfare of labour itself."\* In the first article which Gandhiji wrote for the *Indian Opinion* in South Africa, he said, "If after all, there was one true man in South Africa, he will cover all. He will build up the whole structure from within."† In these days of democracy, however, it is all the more necessary that desired results are achieved not by one individual but by collective efforts of the people. "It will no doubt be good to achieve an objective through the effort of a supremely powerful individual but it can never make the community conscious of its corporate strength."‡ Moreover, "anything that millions can do together becomes charged with a unique power".§ An organization would enable the workers to realize the power that they possess. That would

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¶ Quoted in Gregg, R. B., *The Power of Non-violence*, p. 114.

‡ सद्गता हि महाबलाः । (Mahabharata), 8-34-7.

§ Bose, N. K., *Selections from Gandhi*, p. 138.

\* *Young India*, 9-2-'21.

† *Harijan*, 19-5-'46

‡ *Harijan*, 8-9-'40.

§ *Harijan*, 7-4-'46.

make them self-reliant. In the absence of this realization of their innate strength, they become either subservient or insubordinate and insolently believe in damaging capitalists' goods and machinery or even in killing capitalists. "Drops in separation could only fade away, drops in co-operation made the ocean which carried on its broad bosom ocean greyhounds. . . . Labour, therefore, must unite."\*

### Labour Leadership

The labour leader is almost the soul of the organization. "The workers crave a personal leader even as they need a personal God."† Because in the peace technique "it is only by the impact of the dynamic personality of the leader, truth and non-violence in flesh and blood, that ordinary human material can rise to the level of ethical excellence necessary for the practice of mass Satyagraha".‡ He must have a living faith that the penance and capacity to bear suffering with understanding, are bound to be fruitful, if they are sincere.§ His control over all senses will give him creative energy of the highest order. It will give power to his word and make his controlled thought self-acting.\* He must be completely selfless so that he would be proof against self-seeking opportunists. His dedication to workers' cause should be whole-hearted. During the Ahmedabad wage-strike in 1918, Gandhiji declared, "If in this struggle any persons are reduced to starvation and are unable to get work, we shall feed and clothe them before we feed and clothe ourselves."† There might arise occasions when the leader has to oppose workers in their interest. He does not seek cheap popularity. "We will not leave our duty even if we incur the displeasure of our masters—the workers we serve. . . . However much they may try, the employers will not be able to take away the advisers (us) from their contact with the workers."‡ The Satyagrahi leader prepares the masses for the use of Satyagraha in the sense of direct action as well as

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\* *Harijan*, 7-9-47.

† Cole, G. D. H., and Margaret, *A Guide to Modern Politics*, pp. 348-49.

‡ Dhavan, G. N., *The Political Philosophy of Mahatma Gandhi*, p. 187.

§ Desai, Mahadev, *A Righteous Struggle*, p. 27.

\* *Harijan*, 23-7-38.

† *A Righteous Struggle*, cited before, pp. 13, 15.



in its constructive aspect. . . . The greatest tribute to the success of the Satyagrahi leader is for some of his followers to excel him in non-violence.‡ Thus a Gandhian leader would not only be away from rivalry for the leadership but would prepare as a matter of duty, his next incumbent.

Labour population is generally a heterogeneous lot. Their leader, however, would not distinguish between Hindu, Muslim, Gujarati, Madrasi, Marathi, Punjabi, etc. He would regard all as equals and would strive to keep them as such.§ He would never wish or do ill to the employers, and would secure the good of the workers while safeguarding the good of the employers. A Satyagrahi leader stakes his all for his objective. Gandhiji once warned the Ahmedabad workers thus in the strike of 1918:

This lock-out is not a joke for me. I would terminate the struggle if I would even at the cost of my life. . . . I would demonstrate it (sincerity) to you in such a manner that you would be convinced that with this man, we shall have to talk straight, we cannot play with him. . . . Shall I now adopt measures to break your pledge? If I do so, why should you not sever my head from my shoulders?§

Gandhiji lived and died a martyr. This supreme challenge to suffering and death in vindication of his principles was the corner-stone of his life. Gandhian leadership, therefore, would succeed only when it would throw to winds all sordid desires and would dedicate itself to the service of humanity, irrespective of consequences.

### Arbitration

We shall now turn to consider the last but not the least factor in a trade union. How in Gandhiji's opinion, should labour disputes be dealt with by a trade union? The chief object of a trade union is to maintain and improve the working conditions of its members and hence every activity directed to this end can be taken as a legitimate trade union function. These activities are required to be carried on frequently in spite of the opposition of the industrialists. The opposition is sometimes open and often veiled. But Gandhiji had assured the workers that they need not worry about the doings of the capitalists. "If

‡ Harijan, 21-7-'40.

§ *A Righteous Struggle*, cited before, pp. 58, 13.

the labourer alone were to understand his rights and responsibilities, and confine himself to the purest means, both must gain."\*

But there do arise occasions when the workers are not able to get justice at the hands of industrialists. There is a seeming conflict of interests between the two parties who pull in opposite directions. What should be done under the circumstances? Gandhiji had suggested the following measures for the resolution of such conflicts:

(a) Negotiations and mutual discussions between the accredited organizations of capital and labour;

(b) Failing that, conciliation and failing that, by reference to a single arbitrator or to a Board of Arbitrators. Their decision should be binding on both the parties. But in case of their being inconclusive or unable to agree with each other,

(c) The question should be referred to an umpire whose decision would be final. But if for one reason or the other, the umpire is unable to give his decision, either of the parties are free to resort to direct action i.e. to lock-out in case of industrialists, and to strike in case of workers."†

Now the three measures suggested above would be found helpful for the following reasons:

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\* *Young India*, 28-4-'20.

† The Royal Commission on Labour, while writing about the Ahmedabad arbitration machinery said:

"All grievances are, in the first instance, discussed between the workers themselves and the management of the mills concerned. If any worker has a grievance, he reports to a member of the council of representatives from his mill. The member speaks to the head of the department and the agent of the mill, if necessary. If the grievance is not redressed, a formal complaint is recorded in the Labour Association. The Association-official, usually the Secretary or the Assistant Secretary goes to the mill, ascertains the correctness of the complaint and requests the mill officer or the agent to redress the grievance. If no settlement is arrived at during this stage, the matter is reported by the Labour Association to the Mill-owners' Association. The Secretary of the Mill-owners' Association speaks to the mill concerned and tries to settle the matter amicably. If the workers do not get redress after the matter has been discussed between the Mill-owners' Association and the Labour Association, it is finally referred to the Permanent Arbitration Board. In case of disagreement between the arbitrators, the dispute is referred to an Umpire acceptable to both and the decision is binding."—*Report of the Royal Commission of Labour in India*, p. 336.

(1) Lifting the issue of conflict above the mire of the passions, prejudices, and prepossessions of the two disputing parties and referring the same to an impartial tribunal; and

(2) till the time the question continues to be discussed by agencies other than the parties concerned, and is allowed to be analysed till the strike period, the heat of the conflict is generally evaporated leaving the issue in a realistic colour.

This spectacle shorn of its tempting externals, enables even the parties to re-examine it more objectively and dispassionately. At this stage, strike, if decided upon at all, is directed by reason unblurred by passion. Thus arbitration is the capital way of liquidating conflict.

For Gandhiji, arbitration was the natural outcome of non-violence. Violence coerces while non-violence converts. If the industrial organization is to be kept running on peaceful lines, there is no room for any coercion on either side. When both the parties are interdependent, any permanent conflict between them must be held to be out of question. Differences there may be, but can they not be settled up by mutual consultations and negotiations? "If both the parties were to realize that each depends upon the other, there will be little cause for quarrel."‡ Gandhiji had warned, "the capitalists and zamindars must do everything in their power to employ non-violent means, i.e. the sovereign principle of arbitration, for the settlement of all disputes."§ Even "the strongest combination of employers must accept the principle of arbitration, if capital and labour are ever to live in peace".\* If labour were to bid goodbye to non-violence and become coercive, would they not be as bad as capitalists? Gandhiji maintained that "the realization of their strength combined with adherence to non-violence would enable them to co-operate with capital, and turn it to proper use".† "Adherence to non-violence" means among other things, "acceptance of arbitration". "To seek justice without resorting to violence and by an appeal to the good sense of the capitalists

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‡ *Young India*, 28-4-'20.

§ *Harijan*, 27-11-'37.

\* *Young India*, 19-9-'29.

† *Young India*, 25-6-'28.

by arbitration, is lawful means.”‡ If arbitration is accepted, strike which at present is a great menace to the industrial peace would be unnecessary. “It will be a great gain if strikes become unnecessary and the principle of arbitration is strictly adhered to by parties.”§

Gandhiji had started the experiment of arbitration while he was practising as a lawyer in South Africa. He settled the case of Dada Abdulla v. Tyeb Seth by arbitration. He felt then that he had learnt the true practice of law, because “he had learnt to find out the better side of human nature and to enter men’s hearts. He realized that the true function of a lawyer was to unite parties riven asunder”.\* He thought that the method of arbitration could be efficacious in other departments of life also. “Quarrels must be made impossible by making arbitration popular and obligatory. . . . If we cannot, after the manner of civilized man, resort to arbitration, we shall perish. . . . We must learn to settle all our differences, whether religious or others by arbitration.”† In 1942, he had suggested arbitration for the solution of even Indo-British question.‡ When the Second World War was impending, he had written even to Herr Hitler that he would better “respond to the appeal of the President of the United States and allow his claim to be investigated by arbitrators”.§ But politicians would lose the very title to their profession if they listen to an advice which would interfere with their office of creating chaos out of cosmos! If it is true, as surely it is, that the masses including the labourers and peasants all over the world desire a peaceful and smooth life, and possess a fund of neighbourliness, needed for mutual reconciliation and adjustment, then there is no sovereign remedy other than arbitration for the settlement of conflicts.

Shree Khandubhai Desai in his presidential address to the Fourth Annual Session of the Indian National Trade Union Congress held in Ahmedabad in October 1951 had well given the

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‡ *Young India*, 5-5-'20.

§ *Young India*, 12-12-'29.

\* Gandhi, M. K., *An Autobiography*, p. 168.

† *Young India*, 29-5-'24 and 16-6-'27.

‡ *Harijan*, 24-5-'42.

§ *Harijan*, 2-9-'29.

digest of his long experience of the arbitration machinery as follows:

The arbitration machinery...has only moral sanction behind it to implement the decisions and awards of this body. According to this concept, the arbitration machinery would reflect the dynamic public opinion in any society. I must state with all the emphasis at my command that industrial relations should, as a general rule, be settled and adjusted by the parties concerned without any interference of the State.

### **Arbitration, Voluntary and Compulsory**

The arbitration which we have discussed up to now is voluntary arbitration. As against this, there is compulsory arbitration which means resort to law courts for the settlement of disputes. Gandhiji had not favoured compulsory arbitration.

It would be relevant to mention here an event of supreme importance from the history of the Ahmedabad Labour Association which had the privilege of being guided by Mahatma Gandhi for more than 30 years. On the 8th July 1952, both the Ahmedabad Mill-owners' Association and the Ahmedabad Textile Labour Association have signed an agreement withdrawing all their cases which were pending before the Industrial Court. The agreement further declares in part:

That all industrial disputes between the mills and their employees, between the mills and the Textile Labour Association, and between the Ahmedabad Mill-owners' Association and the Ahmedabad Textile Labour Association should be settled outside the court, in the first instance, by negotiations, and in case no agreement is arrived at, by mutual discussion, then by conciliation or arbitration.

It is true that since 1937, the Ahmedabad Labour Association was obliged owing to the insistence of the Ahmedabad Mill-owners' Association, to refer their complaints to the Industrial Court. Such ups and downs in the practice of using the voluntary arbitration machinery are inevitable in the very nature of things. Reference to a legal court is after all a part of arbitration which is known as compulsory arbitration. Happily, however, the mill-owners seem to have realized the futility of this course and consequently, the arbitration machinery has been revived in Ahmedabad in the year 1956. "The system of arbitration is admirable in its intentions and has had a substantial measure of success,"\* according to

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\* p. 337.

the Report of the Royal Commission on Labour in India. It further adds: "The system of arbitration was admirable and successful as can be seen from the fact that during its (i.e. of the Ahmedabad Textile Labour Association) working for about eighteen (now 32) years only once (1923) a serious strike occurred in the textile mills of Ahmedabad."† Thus the only way of reaching peaceful collective agreement is that of mutual discussions, conciliation and arbitration.

## c CHAPTER XV

### INDUSTRIAL RELATIONS AND LABOUR LEGISLATION

All human beings, irrespective of race, creed or sex, have the right to pursue both their material wellbeing and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.‡

#### The Objectives of the Legislation

The development of modern organized industry has necessitated the employment of a considerable number of men, women and even children under conditions which are often detrimental to their health, safety and welfare and from which they are unable to protect themselves. It has, therefore, become a duty of the State to enact such legislative measures as would control the living and working conditions of the workers and would smoothen their relations with their employers. Thus labour legislation is one of the important institutions in a modern society.

One of the objectives of such legislation is to "secure to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities".§ The legislation is, therefore, intended to establish economic and political democracy in the industrial sector. The second objective is to bring about, as far as possible, a uniformity of labour

† Punekar, S. D., *Trade Unionism in India*, p. 369.

‡ From the Constitution of the International Labour Organization, quoted in *Labour & Factory Legislation in India*, p. XXXV, by Trivedi, H. M.

§ *The Constitution of India*, p. 20.

laws in all the States of India. There is a diversity in the working conditions, in the trade benefits and social services offered to labour in different States. Uniform legislation covering all States would greatly facilitate a uniform development of Indian labour.

In the history of Indian Labour Legislation, it will be seen that the participation of representatives of the Government, Labour and Capital in International Labour Conferences has brought home the need for industrial legislation along western lines. These meetings were responsible for encouraging many nations including India to pass many resolutions in respect of their labour, relating to: (1) hours of work, (2) living wage, (3) protection of workers against sickness, disease, injury, (4) protection of children, young persons and women, (5) recognition of the freedom of association, (6) organization of technical education, etc. Legislation alone has made it possible to spread the benefits of these measures over the entire labour community of India.

### Origin of Legislation

The beginning of labour legislation in India can be traced back to three distinct events: namely, recruitment of labour under penal sanction for employment within the country, such as Bengal Regulation VII of 1819, making a breach of contract a criminal offence; secondly, recruitment of labour under the indenture system by the Indian Emigrant Act of 1837 for employment in the British Colonies which had turned to India for cheap labour supply. Also the first Factories Act was passed in 1881 to regulate labour under civil contract. This was the first civil contract with regard to labour recruiting! The third factor was the pressure exerted on Indian Government by the British industrialists. They feared that the availability of raw materials and cheap labour in India had given the country a very unfair advantage over themselves, and consequently, they might be undersold even in England. In November 1888, therefore, the Manchester Chamber of Commerce passed a resolution, "that in view of the excessive hours of work in the cotton mills of British India, the provisions of the British Factories Act, in so far as they relate to the employment of

women, young persons and children should be extended to include the textile factories in India".\*

The progress of labour legislation till 1920 was very slow, and an attempt to organize a trade union was looked upon with suspicion, and an attempt to bring about a strike was regarded as a criminal offence. An instance to the point might be quoted here. Shree B. P. Wadia was one of the great leaders in Southern India who figured prominently even in the Home Rule Movement of 1915-17. During one of the lock-outs of 1920-21 in the Buckingham mills, Madras, he was the leader of the workers of the mills. Messrs. Binny & Co., the Managing Agents, filed a suit against Shree Wadia and other labour leaders for dissuading the workers from working, thus causing serious loss to the Company. The Company claimed damages to the extent of Rs. 75,000/- and also applied for an interim "injunction" against the defendants. The injunction was made permanent until the disposal of the civil suit. On the intervention of some leaders, however, the Company agreed to withdraw the civil suit, if the "outsiders" in the union would leave the workers to manage themselves. Shree Wadia agreed to these conditions and left India!†

### Swift Lift to Indian Labour

British labour had to fight since 1812 many hard battles and suffer untold miseries before it could claim membership of the Parliament. The organization of Indian labour on sound lines was started only after Gandhiji led a wage-strike in Ahmedabad in 1918. The following nineteen years saw the upsurge of Indian nationalism in three colossal Satyagraha movements which put in 1937 the governmental reins in the hands of the Indian National Congress in seven out of twelve provinces. Indian workers had taken a prominent part in the Satyagraha movements with the result that all the Congress Ministries included one Labour Minister on the assumption of power. Thus inside only of twenty years, Indian labour was able to secure a place of position in the political life of the country, thanks to Gandhiji's nationalism, broad-based as it was on democracy and peace.

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\* Punekar, S. D., *Trade Unionism in India*, p. 57.

† *Ibid.*, p. 35.



There were other factors also which contributed to the awakening of labour. The principle of State intervention to regulate industrial life and conditions and to better the lot of the industrial worker has come to be accepted in India after the First World War of 1914-18. The International Labour Organization (I.L.O.) gave a fillip to labour legislation in all the countries including India. The last but not the least was the Communist influence on Bombay labour in the twenties which brought about gigantic strikes in Bombay mills. The Whitley Commission known as the Royal Commission on Labour, passed in its report of 1931 severe strictures on labour conditions in India. It came to be recognized that legislation with regard to a better standard of living of the workers, working conditions, minimum wages, limitation of hours of work and protection against the economic consequences of old age, sickness and unemployment could not be long postponed. The Bombay Textile Labour Inquiry Committee as also the Bihar and Kanpur Labour Inquiry Committees voiced in their reports the urgency of these measures. The resignations of the Congress Ministries in 1939 spelt a set-back in this sphere, but the outbreak of the Second World War emphasized the need of mobilizing industry. To this end, Labour Conferences were convened by the Government in 1940, 1941 and 1942 which paved the way for bringing about a uniformity in the labour code for the whole country. The constitution of the Tripartite Labour Conference in 1942 and the appointment of the Labour Investigation Committee in 1944 with terms of reference almost as wide as those of the Whitley Commission and with recommendatory powers are important steps in the speeding up of labour legislation.

### **Legislation Regarding Industrial Relations**

Legislative measures concerning labour may be classified under two categories: 1. Specific and 2. General. Specific legislation refers to such industries as plantations, factories, mines, etc. General legislation pertains to labour problems of a general character, such as industrial relations, minimum wage and minimum age, hours of work, gratuity, etc. These legislative measures refer to all the industries. Our present examination of labour legislation would be restricted obviously to that of industrial relations only.

### **Employers' and Workmen's (Disputes) Act, 1860**

The origin of industrial disputes legislation can be traced back to the middle of the last century. A conflict arose between European railway contractors and their workmen in the Bombay Presidency over failures and delays in the payment of wages and it resulted in a violent outbreak causing the death of a contractor in 1859. At the instance of the Bombay Government, the Government of India passed the above Act in 1860 which provided for the speedy and summary disposal by magistrates, of disputes relating to wages in the case of workers employed in the construction of railways, canals and other public works. One of the provisions of the Act was that any person who engaged himself to work for a stipulated period or to execute any specific work and refused to perform it, would be liable to fine not exceeding Rs. 20/- or simple imprisonment extending to 2 months.

### **Indian Trade Unions Act, 1926**

As has been said above, labour unrest was very pronounced in Bombay and in other cities during the twenties of this century and the question of giving a corporative and legal status to trade unions, of defining their duties, responsibilities and limitations as also clarifying workers' right to strike came to the forefront. The Central Government passed the above Act, which guaranteed workers the right to organize, and gave a legal corporate status to trade unions by providing for the issuing of certificates of registration to them on their applying for the same. The Act also laid down a procedure regarding their organization, registration and disposal of funds. It invested the trade unions registered under the Act with immunity from civil and criminal liability in respect of strikes. The defect of the Act was that "it imposed no obligation on employers to recognize and deal with such registered unions."<sup>‡</sup> The Royal Commission on Labour (1931) severely deprecated this omission. But throughout the thirties, the question of recognition was the bone of contention between employers and employees and it figured prominently on the agenda of all the labour meetings. The result of these meetings was the adoption of the Indian

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<sup>‡</sup> International Labour Office, *Labour Legislation in India*, (1937-1952), p. 41.

Trade Unions (Amendment) Act (XLV) of 1947, which provided for compulsory recognition by employers of representative trade unions by order of a Labour Court.

### **The Trade Disputes Act, 1929**

Growth of industrial disputes during the twenties made such legislation by the Central Government necessary. While it imposed strict limitations on the workers' right to strike, it provided a conciliation machinery to bring about a peaceful settlement of industrial disputes. It provided:

1. If a dispute existed or apprehended, the Local Government concerned or the Governor General in Council was authorized to refer the matter to (a) a Court of Enquiry, or (b) a Board of Conciliation.

2. Strikes or lock-outs in public utility services without notice were prohibited.

3. That strike or lock-out was illegal which had any object other than the furtherance of a trade dispute or was designed to inflict severe, prolonged hardships upon the community.

4. As employer was required to report to the Government the receipt of notice of his employees to go on strike within five days, the failure to do so or resort to an illegal lock-out on his own part were offences punishable by imprisonment or fine or both.

### **The Bombay Trade Disputes Conciliation Act, 1934**

The State of Bombay is the most important centre of textile industry and of an increasingly class-conscious industrial labour population. The Government of Bombay thought it necessary, therefore, to pass a special legislation to control and guide the industrial administration in the Presidency. The important provisions of the Act were:

1. The Act provided for an appointment of a Government Labour Officer to "watch the interest of workmen with a view to promoting harmonious relations between employers and workmen and to take steps to represent grievances of workmen to employers for the purpose of obtaining their redress".§

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§ Trivedi, H. M., *Labour & Factory Legislation in India*, p. xx.

2. The Act appointed a Commissioner of Labour to be an ex-officio Chief Conciliator and provided for the appointment of special and assistant conciliators.

The main defect of the Act was that it did not provide either for enforcing an agreement by way of arbitration or even for the enforcement of agreement when reached. The Conciliator was only to report the agreement or otherwise to the Government and to do nothing more! This Act was partially repealed by the Bombay Industrial Disputes Act, 1938.

In 1937, the Congress Ministries assumed the Governmental role in seven Provinces and each of them had a Labour Minister. This naturally marked a forward step in the history of labour legislation, both at the Centre and in a number of Provinces. Important principles which were thought proper to be incorporated in the legislation could be counted: compulsory arbitration in public utility services, including the enforcement of arbitration awards; prohibition of strikes and lock-outs during the pendency of conciliation and arbitration proceedings and of arbitration awards enforced by Governmental orders; prescription of specific time limits for various stages of conciliation and arbitration proceedings to eliminate delays; imposition of an obligation on employers to recognize and deal with representative trade unions which satisfy certain conditions relating to their constitution and membership prescribed by law; and setting up of Joint Works Committees to provide machinery for mutual consultation between workers and employers. Some of these principles were incorporated in the following legislation.

### **The Bombay Industrial Disputes Act, 1938**

In the provincial field, this Act has been regarded as being a pioneer legislative attempt to provide conciliation machinery for settlement of trade disputes and for a peaceful change in the conditions of employment and thus to stabilize industry. Let us see its main provisions:

1. The Act provides for reference of a dispute to the Commissioner of Labour who is the Chief Conciliator, or to Special Conciliators, or to a Board of Conciliation to be appointed by the Government, or to a voluntarily accepted arbitrator or to the Industrial Court.

2. The Act classifies important matters affecting employers and employees into two schedules and provides a set of rules called "Standing Orders" relating to matters in Schedule I. An elaborate machinery is provided for effecting changes in matters in Schedules I and II.

3. Strikes and lock-outs under certain conditions are declared illegal.

4. The Act lays down three kinds of unions which are recognized by the Government and have the right to represent workers in a dispute. They are called Qualified Unions, Registered Unions and Representative Unions.

5. The Act provides against victimization of a worker by an employer. An employer cannot dismiss or discharge an employee for his normal trade union activities.

While the Act does not require an employer to recognize any of these unions, it gives to all these unions the right to send workers' representatives in a trade dispute and thus requires employers to deal with these representatives as such in conciliation proceedings.

Though the Act provided a machinery for peaceful settlement of trade disputes, it has been criticized on the ground that the machinery provided by it is rather cumbrous. This criticism has been partly justified by the history of the application of the Act in practice. Secondly, the Act is said to have imposed undue limitations upon the workers' right to strike. In spite of this criticism, however, the Act is a forward step in tackling the problem of industrial relations.

Between 1939 and 1946 i.e. during war years, there were a number of Notifications and Ordinances both by the Government of India and by the Governments of States restraining strikes and lock-outs, referring any dispute for conciliation or adjudication, and requiring employers to observe such terms and conditions of employment as might be specified, and to enforce the decisions of adjudicators. The emergency war legislation ceased to be operative from the 30th September 1946.

### **Industrial Disputes Act (XIV), 1947**

The Act came into force from the 1st April, 1947. It introduced two new institutions for the prevention and settlement

of industrial disputes: Works Committees consisting of representatives of employers and workers; and Industrial Tribunals consisting of one or more members possessing qualifications ordinarily required for appointment as judges of a High Court. The other important provisions were:

1. Power was given to the Provincial Governments to require Works Committees to be constituted in every establishment employing 100 or more employees.

2. Resort to conciliation machinery was made obligatory in all disputes in public utility services and was optional in the case of other disputes. With a view to expediting conciliation proceedings, time limits have been prescribed for their conclusion—14 days in the case of conciliation by a Board of Conciliation. A settlement arrived at in the course of conciliation proceedings would be binding on both the parties for such period as would be agreed upon by them or for a period of six months.

3. A reference to an Industrial Tribunal will lie where both the disputing parties apply for such reference. An award of a Tribunal would be enforced by the Government, and would be binding on both the parties for such periods as might be specified up to a maximum period of one year.

4. The Act prohibited strikes and lock-outs during the pendency of conciliation and adjudication proceedings.

5. The Act empowered appropriate Governments to declare, if public interest or emergency so requires, some specific industries to be of public utility services.

A number of amendments were made to the Act during 1949-'52, because its working created considerable difficulties in more than one State. These became apparent in the case of banking and insurance companies. To remedy this defect two ordinances were promulgated during 1949 and were replaced in December of the same year by Act LIV of 1949.

The Act introduced for the first time the principle of adjudication. It revealed the need for a central appellate authority which, by its decisions, would co-ordinate the activities of the large number of industrial tribunals set up by the central and provincial Governments. The Government of India, therefore, introduced in the Parliament on the 9th December 1949, the

Industrial Disputes (Appellate Tribunal) Bill providing for the setting up of an Appellate Tribunal in relation to industrial disputes. The Bill became Act XLVIII of 1950. On experience, it has been found that appeals to the Appellate Tribunal with regard to the industrial disputes have been causing inordinate delays. The result is that many of the labour unions have suggested its abolition. It was abolished by the Parliament in July 1956.

### **Bombay Industrial Relations Act (XI), 1947**

The Bombay Industrial Disputes Act, 1938 was repealed and replaced in 1947 by the Bombay Industrial Relations Act with a view to provide machinery for the quicker and more efficient disposal of industrial disputes and to give greater impetus to labour to organize itself. The main provisions of the Act are the following:

1. A new class of "approved" unions was created and was invested with substantial privileges in return for their undertaking a set of corresponding obligations.

2. Labour Courts were set up for the first time in India to ensure quick and impartial decisions in references regarding illegal changes in standing orders or conditions of work.

3. Provision was made for the setting up of Joint Committees consisting of equal number of employer and employee representatives in the various occupations and undertakings in an industry.

The object of the Act was "to regulate all matters included in relations between employers and employees, and it defines accordingly the status of trade unions, establishes schedules of industrial matters controlled by Standing Orders and collective bargaining and sets up comprehensive facilities for the settlement of industrial disputes by means of negotiations between the representatives of employers and employees, conciliation authorities, labour courts, voluntary arbitration, and, in some instances, compulsory arbitration. Agreements and settlements reached through conciliation, and arbitration awards are declared to be binding, and protective measures are provided to safeguard the rights of employees engaged in legitimate trade

union activity.”\* The Bombay Industrial Relations Act covered a great variety of activities.

### **Labour Relations Bill, 1950**

With a view to remove the existing diversity in the laws relating to the prevention and settlement of industrial disputes in different States, the Government of India introduced in the Parliament the above Bill on the 17th February 1950. This was the first attempt at providing the country with a comprehensive law on the subject which superseded all the previous legislations in the matter. It provided for the regulation of the relationship between employers and employees, for the prevention, investigation and settlement of industrial disputes. It contained comprehensive provisions covering standing orders, collective bargaining, conciliation and arbitration. The Bill envisaged three new authorities, viz., Standing Conciliation Boards, Labour Courts and an Appellate Tribunal. It sought to introduce a system of collective bargaining and authorized the appropriate Government to apply provisions relating to collective bargaining to those units only which were deemed to be fit for collective bargaining.

Labour matters were divided into two schedules. The first schedule contained matters such as classification of employees, attendance, late coming, etc. and disputes relating to these were to be settled by Labour Courts. The second schedule covered matters like wages, bonus, hours of work, rationalization etc. and the disputes regarding these were to be settled by labour tribunals.

Special provisions were made in the Bill relating to retrenchment, go-slow policy, dismissal of workers and control of undertakings in certain circumstances.

The Select Committee's Report on the Bill was presented to the House on the 1st December 1950 but the Bill lapsed with the dissolution of the Parliament.

The Act was further amended in 1953. The following are the main added provisions:

1. The normal period of operation of an award has been fixed to be one year.

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\* International Labour Office, *Labour Legislation in India*, pp. 50-51.



2. The Act provides that during the pendency of any proceedings no employer shall alter the conditions of service to the prejudice of the workmen concerned with the dispute, nor shall he dismiss or punish any such workmen without obtaining the written permission of the Conciliation Officer, Board or Tribunal etc., as the case may be.

The Government of India have also promulgated the following Ordinances and passed the following Acts to supplement the provisions of this Act:

1. Industrial Disputes (Banking and Insurance Companies) Ordinance in April 1949. In December 1949, this Ordinance was replaced by an Act called the Industrial Disputes (Banking and Insurance Companies) Act, 1949.

2. Industrial Tribunals Payment of Bonus (National Savings Certificates) Ordinance, 1949.

3. Industrial Disputes (Amendment) Ordinance. 1953. The provisions of the Ordinance were incorporated with slight amendments in the Industrial Disputes (Amendment) Act in December 1953. Another amending Bill was introduced in the Rajya Sabha on 6th May 1954, which was passed into an Act on 23rd December 1954.

4. Industrial Disputes (Banking Companies) Decision Bill was passed into an Act in October 1955.

5. Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956.

### **Post-Independence Labour Legislation**

The complete transfer of power in our country took place on the 15th August 1947 to an independent Government responsible to the Indian electorate and in no way subject to the control of the British Government. This event was accompanied by an equally historic partition of India into two Dominions—India and Pakistan. These two incidents have naturally their repercussions on labour legislation.

Let us sum up the other labour legislative measures passed between 1937 and 1952. Briefly put they are:

The Minimum Wage Act of 1948 provided for the statutory fixation and periodical revision of minimum rates of wages in a number of employments; the Factories Act of 1948 introduced for factory workers a 48-hour week and annual holidays with

pay, and a thorough overhaul of the Act with a view to strengthen its provisions relating to young persons and to the health, safety and welfare measures in factories; a steady extension of social security measures in the shape of (a) maternity benefits for women workers in factories, plantations and mines; (b) an integrated scheme of compulsory insurance against the risks of sickness, maternity and employment injury, applicable in the first instance to workers in India's perennial factories; and (c) a compulsory provident fund for coal miners and employees in certain classes of factories in some specified industries; and a new emphasis on adequate welfare measures as exemplified by the Coal Mines and Mica Mines Labour Welfare Fund Acts.

The Employees' Provident Funds Act, 1952 was passed on the 4th March, 1952. It was modified in February, 1954. This Act provided for the institution of provident funds for employees in factories and other establishments. The Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955 was passed to regulate certain conditions of service of working journalists and other persons employed in newspaper establishments. The Employees' State Insurance Act, 1948 was amended in October, 1951. It was a pioneer measure of social insurance in our country.

Legislation has brought about the regulation of the conditions of work and employment of plantation workers; the provision of shorter working hours, overtime pay and holidays with pay for mine workers; and the enactment of a series of Shops Acts regulating conditions of work in shops, commercial establishments, restaurants and theatres in the more important urban areas. The establishment of peaceful industrial relations was one of the main objectives of labour legislation. In its achievements, therefore, can be counted the building up of a full time and permanent machinery composed of labour officers, conciliation officers, conciliation boards and industrial tribunals for the prevention and peaceful settlement of industrial disputes, particularly in public utility enterprises; the setting up of an Appellate Tribunal with jurisdiction over State tribunals; the promotion of sound industrial relations by imposing on the employers a legal obligation to frame standing orders, applicable

uniformly to all workers in their establishments, to recognize and deal with representative trade unions and to form work committees; and the beginning of a scheme of registration of dock workers in India, with a view to improve their miserable lot.

A convenient machinery for facilitating frequent consultations between the contending parties in the presence of a third, impartial and respectable party plays an important role in the evolution of a peaceful industrial relationship. During the period under review, we have seen the evolution of a regularly tripartite machinery for frequent consultations between Government, employers and workers on matters of all-India importance, and the establishment of tripartite industrial committees for the country's major industries—coal, cotton, textile, jute, plantations, cement, tanning and leather goods industries. This has been achieved, it should be remembered, not by frequent strikes, lock-outs and conflicts but mainly by mutual understanding of the two concerned parties and by a sympathetic approach of the Government in the work of reconciliation of their interests in terms of the community at large.

### **Evolution of a Labour Code**

The Constitution of India has laid down the Fundamental Rights and the Directive Principles of State Policy. We have quoted in Chapter V some of the more important of the Directive Principles of State Policy from the point of view of labour. We quote below the remaining two articles from the Constitution:

41. The State shall within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness, disablement, and other cases of undeserved want.

42. The State shall make provision for securing just and humane conditions of work and for maternity relief.

The Constitution has given us the basis for the evolution of a Labour Code. The Code must be designed to secure for workers not only social justice and an equitable living standards in terms of food, cloth and habitation, but also to secure spiritual and intellectual satisfactions. It must insist on recognition of labour, not as a mere worker in industry entitled merely

to a "living wage" and existing on sufferance, but as an equal partner with capital in the field of production and as one who is entitled to an equitable share in the outturn of industry. Gandhiji had wanted the industrialist "to make their labourers co-partners of their wealth".† Law is the codified ideal of the community and what is community if not labour, capitalist, consumer and Government put together? All these agencies must endeavour to help each other to rise to one's full height. A Labour Code is the right way to bring labour in line with the other three.

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† *Young India*, 16-5-'28.



PEACEFUL INDUSTRIAL RELATIONS  
THEIR SCIENCE AND TECHNIQUE

PART II

THE TECHNIQUE

OR

A SHORT HISTORY

OF THE AHMEDABAD LABOUR ASSOCIATION



## CHAPTER XVI

### THE INDUSTRIAL DEVELOPMENT OF AHMEDABAD

Ahmedabad is unique in the matter of neatness, thriving population and beautiful buildings. In truth, a city with such beauties is rare; cloth of fine texture which is exported by land and sea, yields a profitable trade.‡

—Amin Ahmed-i-Razi

#### Industrial Tradition of Ahmedabad

Ahmedabad is at present one of the most important industrial centres of India. But this development need not be regarded as too sudden or modern a phenomenon. The industrial tradition of Gujarāt can be traced back to the beginning of Christian era§ when “Barygaza (Broach) along with Patiala, Ariake and Masalia (Masulipatam) were the commercial centres from which the Arab and Greek merchants carried raw cotton as well as the cotton manufactures of India up the Red Sea to Aduli”.\* Ahmedabad came in the picture a little later in the course of history; but it seems to have been destined to play a more remarkable part than the above commercial centres.

The eleventh century saw the emergence of the city of Ashapalli, situated on the eastern bank of the Sabarmati. A little to the south of the present city, it was founded by Asha Bhil, king and leader of six lakhs of Bhils. Being on the main trade route between Broach, which was the important port of the western coast and Anahil-Patan, the capital of Gujarat, Ashapalli had a great commercial and strategic importance. In the twelfth century Karan Solanki defeated Asha Bhil and renamed Ashapalli as Karnavati. In 1297, Karan Waghela, the last Hindu king of Gujarat was defeated by Allauddin Khilji. A century later in 1396 Subha Zafarkhan proclaimed himself free of the Delhi Mogals and ascended the throne of Patan.

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‡ *Haft Iqlim*, 1600 A.D.

§ “From the Christian era to the present time, the inhabitants of this country (Gujarat) were the most essentially commercial and enterprising of all races of India.” Fergusson, *Ahmedabad*, p. 69.

\* *The Periplus of the Erythraean Sea* (60 A.D.), translated by Wilfred H. Shroff, Philadelphia, p. 3.



The modern history of Ahmedabad begins when Ahmed Shah, his grandson, laid the foundation-stone of the Bhadra Fort of the city on the 4th March 1410 and made it his capital. The city soon developed into a great commercial centre where craftsmen of unrivalled skill began to reside. At one time, the city was so prosperous that all the world's merchandise came within its walls to cater to the needs of its eight lakhs of citizens. In return, "before the beginning of the sixteenth century, the silks, brocades and cotton cloths of Ahmedabad, generally bearing the name of Cambay—their place of shipment—were in demand in all Eastern markets from Cairo to Peking".†

But Amin Ahmed-i-Razi has given us, in his well-known geographical work *Haft Iqlim* written in 1002 (A.H.) i.e. in 1600 A.D. a more detailed description of Ahmedabad. He wrote:

The art of weaving golden and silken threads into brocade, velvet, gauze, needle work and embroidery, varying in texture and dye is unequalled in India; and the fame of Gujarat has spread to the distant countries of Iran, Turan, Turkey and Syria.‡

Akbar captured the city in 1572 and Shah Jahan, his grandson, laid out the magnificent Shahibag gardens. The city, after a brief period of seventy years under the Marathas passed under the British rule in 1817.

The new regime afforded peace and security to the people and their innate genius began to show signs of revival and growth. They exhibited the virtues of enterprise, caution, keen sense of realism, and a rare spirit of compromise. Eventually they wonderfully succeeded in developing the textile industry of the city.

### **Ranchhodlal, the Industrial Pioneer**

This was a period of our history when the whole nation was smarting under the shackles of the British domination and was secretly organizing a violent revolt. Its manoeuvres, though originated in Northern India, had reached Bombay and even Ahmedabad; but the mercantile community of these two cities reacted to the incidence of foreign domination in the right mercantile way. They do not appear to have participated in the 1857 War of Independence in a large measure. But they seemed

† Stanley, *Barbosa*, p. 200.

‡ p. 7.

to have correctly tapped the right spot of strength of the foreign power. The British conquest of India was essentially commercial. The English merchants dumped machine-made goods in Indian market. Would it not be advisable, therefore, to learn their method of commercial production and resist their trade? they seemed to have argued. Thus Bombay and Ahmedabad took the lead in initiating the textile industry on western lines. Shree Cawasji Nanabhai Davar started a cotton mill in Bombay in 1851 and ten years later, Ranchhodlal Chhotalal, undaunted by innumerable difficulties, succeeded in establishing a spinning mill in Ahmedabad.

The details of the Ahmedabad venture may be briefly noted. Ranchhodlal had conceived the idea in 1847. But the people were conservative and capital was shy. There was no railway route then to Ahmedabad which began only in 1864. The nearest port available, Cambay, was at a fairly long distance. Besides, the climate of the city is none too favourable for cotton industry. It was, therefore, natural that Ranchhodlal received but a lukewarm support from the citizens. But he was a man of vision and indomitable courage. He continued his efforts and succeeded in securing the support of Fulljames and Landon, an American industrialist. In the meantime, the Bombay project was reported to be financially sound and this encouraged Ahmedabad's young pioneer. The orders for machinery were placed in London and the first consignment left for India. But the ordeal was evidently not over. The consignment was lost on the way because of a fire on the ship! Orders, therefore, were repeated. But before the second consignment arrived, the engineer who was specially engaged to erect the plant died! The huge machinery in the absence of railway communication had to be carried in bullock-carts from Cambay to Ahmedabad. Imagine the dauntless spirit of the young adventurer who braved all these calamities and personally supervised and guided the complete erection of the new plant!

The inauguration ceremony of the first mill was attended by a gathering of the elite of the city including eight or nine European officers. The function was held on the 30th May 1861 at an "auspicious time of 4-45 p.m.". "The moment the machine started moving, the whole plant seemed to get life, and the giant

wheel began to rotate. As was the English custom, Mrs. Edington, the wife of the mill engineer, poured a vinegar bottle and the whole assembly joyfully designated the new plant as the "adventure".§ The mill was started with 2500 spindles and Rs. 35,000/- of paid up capital raised with shares of Rs. 5,000/- each. The management was entrusted to Ranchhodlal on the basis of 2½ per cent commission on sales."

Thus a start was given to the new industry in the city. The Ahmedabad merchants, however, are proverbially cautious and calculating. They, therefore, seemed to have chosen only to watch during the first twenty years, the development of the new industry before they could make up their mind to join it. So up to 1880, the progress of the industry was rather slow which was as follows:

Mills	4
Spindles Installed	58,000
Looms	700
Capital (Paid-up)	Rs. 20 lakhs
Labour Employed	2000*

### The Next Twenty Years [1881-1900]

The foreign Government had already detected in the infant textile industry its potential enemy and Manchester had started clamouring against it. Even as early as 1721 i.e. very much prior to the emergence of India's textile mill industry, the British Parliament had passed an Act prohibiting the use and wear of Indian printed calicoes and imposing a penalty of £ 5/- for each offence on the wearer, and of £ 20/- on the seller of such goods in Great Britain. Since that time, the British Government of India had manipulated the import duty on English textiles and the excise duty on Indian manufactures in such a way as to stimulate British imports and to throttle the indigenous industry. An extensive review of its policy would not be relevant here. But a few pertinent events germane to our present discussion may be noted here:

§ *Buddhi Prakash*, Gujarati Magazine, Nos. 8, 9, July 1861.  
 \* Dr. Patel. M. H., (Writer) *Centenary Volume: Indian Cotton Textile Industry*, edited by Gandhi, M. P., 1851-1950, p. 130.

1843: Levy of heavy transit duties on Indian goods in India amounting to  $17\frac{1}{2}$  per cent.

1875: Tariff Valuation of imports of cotton goods lowered at the request of the Manchester Chamber of Commerce (total duty diminished by £88000/-).

Five per cent duty imposed on import of Egyptian and American cotton in India to prevent India from importing such superior cotton and from competing with Manchester in her fine goods.

1882: Triumph of free trade. Import duty on cotton piece goods and yarn abolished in India.

1896: Rate of import duty on cloth reduced to  $3\frac{1}{2}$  per cent.

(1) All woven goods both imported and manufactured in India were to be taxed at the uniform rate of  $3\frac{1}{2}$  per cent instead of 5 per cent.

(2) All yarn imported or manufactured in India was to be free from duty.†

The above partial narration of the tariff policy of the British Government would give one an idea of its adverse consequences to the textile industry of Ahmedabad and of India at large. The second unfavourable factor was that the Indian mints were closed to silver in 1893. This had the disturbing effects on currency and exchange which dislocated the Indian yarn trade with China and Japan. Two extensive famines of 1896 and 1900 affected sixty lakhs of people in Gujarat, besides other Indian provinces. This spelt serious economic loss and dislocated business.

But the indigenous handloom industry and the Chinese market offered a ready sale to Ahmedabad mill yarn and so the industry continued to thrive. Besides the thrifty management, and the commercial shrewdness of the Ahmedabad industrialists were very helpful assets in the business. Consequently, as many as twenty-five more mills were added during the period. It was quite certain that but for these hostile circumstances, the progress of the industry would have been more rapid. The position at the end of the century was as follows:

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† Dr. Patel, M. H., (Writer) *Centenary Volume: Indian Cotton Textile Industry*, edited by Gandhi, M. P., 1851-1950, pp. 154-55.

No. of mills	29
No. of Spindles	4,58,000
No. of Looms	8,700
No. of operatives	10,000‡

### The Swadeshi Movement Period [1901-1914]

This period is very important in the history of the Indian textile industry. From 1903 onwards for four or five years, the whole country rose in protest against the partition of Bengal and a new awakening found expression in the movements of Swadeshi, Boycott, National Education and Swaraj. The whole nation was surcharged with a new enthusiasm and the national movement continued to grow in spite of heavy governmental repression. The people spontaneously patronized the rough cloth of the Indian mills to the exclusion of the foreign stuff. The Ahmedabad industrialists took the fullest advantage of the situation and started weaving mills. The initial production, even though it was rough and unattractive, had a ready market because of the national consciousness. But the movement offered too great a temptation to allow the traders to stick to business morality, and the Ahmedabad merchants were reported to have duped the patriotic purchasers with spurious goods. Gandhiji referred to it in after years as follows:

They (mill-owners) should model their business in keeping with the national requirements and wipe out the reproach that was justly levelled against them during the Bengal Partition Agitation.§

The Russo-Japanese War of 1905-06 eliminated Japanese competition for the time being from the Indian market. Though the period was short, it was a decided gain to the Ahmedabad industry. Japan came out victorious in the war and before long, was able "to compete with ominous success with India in the Chinese market".

In 1910, the British Government in India enhanced the duty on silver from 5 per cent *ad valorem* to 17 per cent. This was detrimental to India's trade with the Far East. This enhancement helped Japanese yarn displace Indian yarn from the Chinese market.

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‡ Dr. Patel, M. H., (Writer) *Centenary Volume: Indian Cotton Textile Industry*, edited by Gandhi, M. P., 1851-1950, p. 130.

§ *Young India*, 23-2-22.

But the Swadeshi Movement amply outweighed these two adverse factors and the Ahmedabad industry was able to register a remarkable progress as can be seen from the following figures:

Centre	Spindles (1000)		Looms (1000)	
	1900	1914	1900	1914
Ahmedabad	458	686	8.7	20.0
Bombay	2,537	3,009	22.0	48.0
Rest of India	4,946	5,333	40.0	104.0*

This rapid development of the Ahmedabad industry at once secured for it in the whole of India a rank next only to Bombay in size and importance.

#### **The First World War Period and After [1915-1928]**

With the outbreak of the First World War in 1914, the productive resources of the belligerents were diverted for the production of munitions and other war goods. This brought about considerable contraction in their production of consumer goods. Besides, there was curtailment even of shipping facilities which further reduced to an appreciable extent piecegoods imports from Europe. Also there was to a great extent stoppage in the receipt of goods from enemy countries. This presented a splendid opportunity for the development and stabilization of the Indian industry.

The Indian mill-owners, however, were seriously handicapped because of the fact that there was no machinery-manufacturing industry in India. It was, therefore, impossible to install new machinery with a view to increase production so as to fill the gap created by the cessation of imports. The only available course was to utilize the capacity of the installed machinery to the maximum possible extent. This was done and the Indian industry got an opportunity of having Mesopotamia, Iraq, Persia, Asiatic Turkey, Straits Settlements, Aden and Dependencies and even African and Ceylonese markets. The

\* *Centenary Volume*, p. 130.

yarn trade also was revived with China and Japan. The production of cloth by the Ahmedabad mills which was 250 million yards in 1913-14 rose to 392 million yards in 1916-17 and stood at 332 million yards in 1918-19.†

There was a phenomenal rise in the prices of cotton and cloth during 1914-19. This rise, coupled with increased production, brought in huge profits to the industry. The Bombay mills utilized these profits in distributing liberal dividends and in installing new machinery at high prices. But the conservative Ahmedabad mills carried larger parts of profits to the reserves which in most cases were held over to purchase machinery at a later and more suitable time. The Tariff Board had praised this prudent policy of the Ahmedabad industrialists.‡ “The war converted the mill agents into powerful industrialists. Still, in keeping with traditional policy, this success was achieved so quietly that even competent observers failed to notice that Ahmedabad was destined to play a very important role in the near future.”§

The war came to an end in 1919 and imports from Britain and other countries started pouring into Indian markets. Japan had already begun exporting fine yarn to India and in the previous year her quota was as big as 72 per cent. Simultaneously it succeeded in penetrating the Chinese market also which was being flooded even by the indigenous goods. This appreciably reduced Indian trade with that country.

The loss of Chinese trade coupled with an unfair competition from Japan both in home and foreign markets brought an unparalleled depression in the industry during the post-war period. The adoption of Rupee-sterling ratio at 2s. per rupee in 1920 by the Government of India in the teeth of strong opposition and the maintenance of which frittered away gold assets worth Rs. 78 crores, had already dealt a great blow to the industry.\*

The trade decline naturally led the mercantile community to spot the notorious excise duty for the first attack. It was

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† *Centenary Volume*, p. 131.

‡ *Ibid.*, p. 132.

§ *Ahmedabad, (A Compilation)*, p. 37.

\* *Centenary Volume*, cited before, p. 155.

levied by the Government of India from the year 1896 onwards at the behest of Lancashire and was continued in spite of strong opposition from all parties. It was "unreservedly condemned" by the Indian Fiscal Commission in 1921-22. The total excise duty levied on Indian mill-made goods amounted to Rs. 22,28,39,150.† Now the problem was how to accomplish the abolition of this duty?

### Mahatma Gandhi and Mill-owners

It should be remembered that this was the beginning of a great national movement in India. Mahatma Gandhi had assumed the leadership of the Indian National Congress in 1919, and as a protest against the Punjab Massacre and Khilafat, had organized the great movement of Non-violent Non-co-operation with the British Government on an unprecedented scale. It awakened the whole nation in a remarkably short time. The boycott of foreign cloth and the use of hand-spun and hand-woven Khadi were some of the items of the Congress movement. Gandhiji, while appealing to the mill-owners, wrote:

It is devoutly to be wished that a successful appeal could be made to the great mill-owners to regard the mill industry as a national trust and that they should realize its proper place... They might also, if they will, take a larger view of the situation, understand, appreciate and foster the Khadi movement.‡

He was in favour of protecting the Indian mills against foreign competition. He had, therefore, no hesitation in advocating the repeal of cotton excise duties and the imposition of a prohibitive import duty.‡ Both Khadi and mill industry, according to him, could go on together "for years to come if the province of each is now marked out and rigidly respected".§ He became the Chairman of the Foreign Cloth Boycott Committee appointed by the Indian National Congress in 1929. Early in the year, numerous bonfires of foreign cloth took place. One of them in Calcutta resulted in the prosecution of Gandhiji by the British Government. In order to further the work of the Boycott Committee, he had suggested a compromise formula

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† *Centenary Volume*, cited before, p. 155.

‡ *Young India*, 23-2-22.

§ *Young India*, 23-6-27.



by which both Khadi and mill industry could go side by side in their own and the nation's interest. Here are his suggestions:

1. The mills can sell Khadi through their agencies;
2. They can lend their talents to the movement;
3. They can by conference with the All-India Spinners' Association determine the varieties they should manufacture in terms of boycott;
4. They can cease to manufacture Khadi whether in that name or any other;
5. They can standardize their prices so as neither to suffer loss nor to increase their profits; and
6. They can render financial assistance to the movement.\*

All these conditions could easily have been fulfilled if "the mill-owners and the shareholders were practically inclined and were prepared to limit their profits". But they were not helpful. Not only that but some of them had the hardihood to sell mill cloth under the label of Khadi.† The following were the figures of Khadi manufactured by mills including some from Ahmedabad during ten months i.e. from April to January of the given years:

	1925-'26	1926-'27	1927-'28
Lbs.	2,58,22,442	3,11,95,169	3,70,36,206
Yards	7,32,44,238	8,54,31,611	10,30,61,072 †

It was admitted by all even then that the industrial peace of Ahmedabad was to a great extent due to the personal influence of Mahatma Gandhi. It was the Congress movement which had created the nationalist sentiment and people readily went in for Swadeshi cloth in preference to the foreign stuff. There was, therefore, a definite rise in the consumption of Swadeshi cloth which meant added profits to mills. In 1930, there was resurgence of Satyagraha on a much vaster scale. But the mill-owners even then refused to adjust their industry to the demands of the movement.

### Indian National Congress and Mill-owners

In 1923 and after the Swaraj Party under the leadership of Pandit Motilal Nehru and Deshbandhu Chittaranjan Das

\* *Young India*, 4-7-'29.

† *Young India*, 22-3-'28; further references from the same journal are: 22-5-'24, 13-8-'25, 29-10-'25.

‡ *Young India*, 10-5-'28.

functioned effectively in the Central Assembly and in some of the Provincial Councils. The Party was a wing of the Indian National Congress and was organized after the great Non-cooperation Movement for the purpose of offering "resistance to the obstruction placed in our path to Swaraj by the bureaucratic government". Thus it had the support and strength of the Congress behind it.

As we have shown in the preceding pages that it was a time when the excise duty was a great thorn in the way of our industrialists. They naturally sought help of the Swaraj Party for its abolition and with their support, a resolution was moved in 1924 by Sheth Kasturbhai Lalbhai, a prominent mill-owner of Ahmedabad, and one of the two present arbitrators, recommending to the Governor General in Council to take early steps to abolish the Cotton Excise Duty and it was adopted by the Indian Legislative Assembly. § The suspension of the Cotton Excise Duty was brought into effect from the 1st of December 1925, as a prelude to its total abolition in the budget in March 1926. In 1927, the Government fixed the exchange ratio at s.1-d.6 which frittered away between April 1926 and November 15, 1930, gold assets worth 33 crores of rupees! \* This ratio adversely affected the Indian industrialists. By the middle of the same year, the Report of the Tariff Board which was appointed to examine the question of granting protection to the cotton textile industry was published. The Government imposed on cotton yarn imports in September 1927 a duty of 5 per cent or 1½ anna per lb. whichever was higher. This was hardly of any help, except perhaps to spinning mills.

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§ "Mr. Kasturbhai Lalbhai moved the following resolution on the 22nd September 1924 (in the Central Assembly, New Delhi) in these precise terms:

"This Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by the majority of Indian members on the Indian Fiscal Commission, and to be pleased to direct the Tariff Board to further examine the question of protection to the Indian cotton mill industry at an early date."

The debate was continued on the 24th when it was passed with an amendment of Mr. Neogy that all words after 'Indian Fiscal Commission' be omitted."

*Indian Quarterly Register*, Vol. I, 1924, pp. 71, 114.

\* *Centenary Volume*, cited before, p. 155.

In spite of these factors, the Foreign Cloth Boycott Movement had helped the industry and the textile position of Ahmedabad, therefore, at the beginning of 1928 showed a decided advance:

Centre	Spindles Installed (in lakhs)		Looms installed (in thousands)	
	1914	1928	1914	1928
Ahmedabad	9.75	14.02	20.31	31
Bombay	30.09	34.67	49	75
Rest of India	67.79	87.02	104	167†

### The Depression Period [1929-1938]

The textile industrial depression began in the early twenties. After several years of continued appeals of the Ahmedabad and Bombay Mill-owners' Associations for grant of protection to the industry, the Government of India passed an Act in April 1930 by which they increased the revenue duty on imports of cotton piecegoods from 11 per cent to 15 per cent generally, and imposed in addition a further 5 per cent protection duty on piecegoods not of British manufacture, with a minimum of 3½ annas per lb. on plain grey goods irrespective of the country of origin.‡

In 1932, England has to give up her free trade doctrine and to enter into bilateral agreements with Empire countries. Pursuant to this policy, India entered into an agreement with England at Ottawa in the same year which is known as Ottawa Trade Agreement of 1932. This gave a substantial bounty to Lancashire interests in return for a vague promise of popularizing Indian cotton. This was severely criticized by the Indian industrialists. In the following year, a private agreement between the Bombay Mill-owners' Association and the Lancashire interests was signed, which is known as "Mody-Lease Pact" of 1933. This agreement also, like its predecessor, gave

† *Centenary Volume*, cited before, p. 181.

‡ *Ibid.*, p. 155.

substantial concessions to the British goods, in return for Lancashire's promise "to encourage and develop Indian trade connections with colonial markets"! The Ahmedabad Mill-owners' Association refused to recognize the Pact. In spite of violent opposition of the vested interests, however, a new agreement named Indo-British Trade Agreement of 1939 was signed which enunciated the following principles:

1. All risk or injury to Indian trade with other countries should be avoided as far as possible.
2. No domestic interests should be sacrificed.
3. India's tariff policy of discriminating protection should remain unchanged and unaffected.

The detailed examination of the agreement cannot be given here for want of space; but it should be noted that "the Agreement was more equitable and beneficial to India as compared to the Ottawa Pact though it was criticized that the levels fixed for reciprocity were more favourable to England".§

The competition mainly with Japanese textiles during this period needs a special mention. The Ahmedabad mills had to do all they could do to meet the pressure of this competition. They replaced old machinery to some extent by new and improved types. They made some improvements in high-draft spinning, high-speed winding and warping, high-speed looms and a cheaper production of power. Working conditions were improved by the introduction of humidification plants, better ventilating and conditioning systems. They turned their attention to production of finer and bleached sorts of goods and introduced in their products a wealth of colour, designs and variety.\*

The protest against the Japanese dumping was so continuous and consistent that the duties against Japanese imports reached high figure of 50 per cent *ad valorem*.† But even this was found insufficient. Japan, in return, threatened to boycott Indian cotton. As a result, by mutual consultations, an agreement named Indo-Japanese Agreement was signed in 1937

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§ Thakkar, N. H., *Indian Cotton Textile Industry*, p. 61.

\* *History of Wage Adjustments in Ahmedabad Industry*, p. 46.

† *Indian Cotton Textile Industry*, cited before, p. 61.

wherein certain quotas of purchases by each side were laid down. This led to a partial modification of the situation.

It is worthy of note that during this period, Ahmedabad showed a more favourable industrial position than Bombay:

Place	1931			1936		
	Mills	Looms	Spindles	Mills	Looms	Spindles
Bombay	73	76,975	34,27,000	74	68,348	29,85,357
Ahmedabad	73	40,022	17,43,523	84	50,811	20,41,514†

The main reason for this disparity is that Bombay labour during the period was led by the Communist leaders and was disturbed by frequent strikes. Ahmedabad labour, during this period, was peaceful and was working smoothly, thanks to the many awards of the Arbitration Board regarding wages and other amenities to be given to the mill-workers. The other reasons were: (1) removal of import duty on mill machinery; and (2) appreciated exchange. These two circumstances enabled the Ahmedabad mill-owners to import machinery at an advantage of 12½ per cent. They had already laid by substantial reserves which were utilized for buying the new stock of machinery. Two years later i.e. by 1938, the industry had continued to maintain the same progress:

Centre	Spindles (In Lakhs)		Looms (In Thousands)	
	1928	1938	1928	1938
Ahmedabad	14.02	19.4	31	47
Bombay	34.67	29.1	75	66
Rest of India	87.02	100.2	167	200‡

### The Second World War and After [1939-1948]

This period started with the declaration of the Second World War which was preceded by Sino-Japanese War in 1937. England and Japan, the two main manufacturing countries,

† Trivedi, A. B., *Post-war Gujarat*, p. 86.

‡ *Centenary Volume*, cited before, p. 132.

were occupied in war. Competition, therefore, was mostly eliminated, leaving not only the home market but even the export market free for exploitation by the Indian industry. But the main fillip was given by the Government orders which took away 35 per cent goods. All the mills of Ahmedabad started during this period double shift, and therefore though they were closed for 3½ months in sympathy with the "Quit India" Movement in 1942, the production of the industry was not abated and the prices rose fivefold in 1943. The temporary stoppage in production created cloth shortage in the market. This paucity was fully exploited by the mill-owners. The textile industry had already been declared as a war industry by the Government. Its Cloth Control Order was promulgated as late as July 1943. With the commencement of Control, cloth disappeared in the blackmarket creating artificial deficiency for the public and inordinate profits to the traders. The Government charged 66.2/3 per cent as Excess Profit Tax and 13 per cent as compulsory deposits. Still the prosperity enjoyed and the profits gained by the industry during this period were unprecedented in its history. According to an approximate estimate made by Shree Khandubhai Desai, Secretary of the Ahmedabad Textile Labour Association, "even after paying the so-called higher dearness allowance and the bonuses, the textile industry in the whole country is likely to make a gross profit of about 60 crores of rupees in 1943".\* The public suffered terribly for want of cloth and paid enormously for what little was available.

The position of the Ahmedabad industry at the end of 1948 was as follows:

No. of Mills	74
No. of Spindles	18.5 lakhs
No. of Looms	428 thousand
Paid-up capital	898 lakhs
Capital invested	25,00 lakhs†

\* *Indian Textile Industry—War Period (1940-46)*, cited before, p. 13.

† *Centenary Volume*, cited before, p. 132.

The Ahmedabad textile industry started with the rudimentary 2,500 throstle spindles. It now represents 25 per cent productive capacity of the country and commands a standard of production which has won admiration both in home and foreign markets.

### Profits and Wages

As can be seen from above, the Ahmedabad textile industry has passed through many vicissitudes in its career. But it has been able to maintain a satisfactory progress as can be seen from the following figures of the average capital and average net profits per annum (after deducting agents' commission and depreciation):

Year	Capital (Figures in lakhs of Rupees)	Profits
1923-27 (Both inclusive)	324.73	50.04
1928-32       ,,	399.01	51.84
1933-37       ,,	450.18	29.71
1938-42†     ,,	481.53	161.45
1943-47‡     ,,	677.78	194.34§
1948-51       ,,	1177.77	641.21
1952	1358.61	56.58
1953	1465.21	51.83
1954	1454.96	244.97
1955	1482.30	641.53

Let it be noted that the number of mills available for the year 1952 and 1953 is 74. The reason was that the balance-sheets of the remaining mills were not published.

† These two figures of profits, namely, those of 1938-42 and of 1943-47 are, according to the Ahmedabad Textile Labour Association, 176.020 and 1127.13 respectively.

§ *Centenary Volume*, cited before, p. 132.

From the available information, it is found that in 1880, the average wage in Ahmedabad industry was Rs. 8/- per month per worker. Since then it has fluctuated in the following way:

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Year	Amount of average wage Rs.	Remarks
1903	9-5-4	100 Basic percentage
1914	13-9-9	145
1921	35-0-0	375
1923	32-8-0	(348) 7. 1% cut
1929	35-0-0	(375) 8% increase for spinners and 5% increase for weavers
1935 (1st Jan.)	32-13-0	(352) 6½% cut
1938	35-12-3	(383) About 9% increase
1948	45- 0-0	(482) About 30% increase
1956	52- 5-0	(567) About 16% increase*

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During the Second World War and since then the workers are receiving, according to the principles laid down by the Industrial Court, dearness allowance. This is on an average about Rs. 65/- per month. Besides, they have been receiving also annual bonus under awards or agreements varying from 20 to 37.5 per cent of annual earnings. Thus a worker in Ahmedabad earns about Rs. 125/- per month in all. This is reported to be the highest wage paid to a worker in any textile centre in India.\*

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\* *Centenary Volume*, cited before, p. 133.



But the following table will show that the worker is not able to maintain his pre-war standard of life:

Year	Average Wage in money	Index number	What he should get	Actual wage	Real wage in commodities
1	2	3	4	5	6
1939	35-0-0	73			
1940	35-0-0	79	37-14-0	37-0-6	34-4-0
1941	35-0-0	87	41-13-6	39-9-10	34-7-0
1942	35-0-0	114	54-10-8	54-7-10	34-10-0
1943	35-0-0	206	97-6-3	96-7-0	34-7-0
1944	35-0-0	212	101-10-3	98-15-2	34-2-0
1945	35-0-0	199	95-6-9	85-13-0	31-10-0
1946	35-0-0	209	100-3-3	84-6-9	29-6-0
1947	40-0-0	219	120-0-0	95-7-11	32-0-0
1948	45-0-0	243	149-13-0	104-7-11	32-2-0
1949	45-0-0	248	152-14-0	110-13-0	33-7-0
1950	45-0-0	257	158-7-0	115-14-0	33-2-0
1951	45-0-0	261	160-14-0	115-2-3	33-7-6
1952	45-0-0	259	159-7-9	115-13-11	33-6-3
1953	45-0-0	275	169-6-0	121-15-1	32-6-6
1954	45-0-0	244	150-6-8	113-0-9	33-13-0
1955	45-0-0	217	133-12-0	101-13-3	34-4-0†

(N.B. Bonus has not been included)

### The Specialities of the Industry

Ahmedabad is an inland town and nearest port available to it is Bombay and it is more than 300 miles away. This is a serious handicap in the transport of cotton goods away from the area. The sources of its coal supplies are the fields of Bengal, Bihar and C. P. The machinery, spare parts and stores have to be imported through the port of Bombay. The industry, therefore, has to bear heavy freight charges. A convenient near-port either in Gujarat or Saurashtra, therefore, is a great need of the industry. It obtains power from the hydro-electric

† Ahmedabad Textile Labour Association's Records.

system comparatively dearer than Bombay. "It is estimated that the total disadvantage to Ahmedabad in comparison to Bombay on account of higher cost of power and the additional freight charges will work out at about Rs. 2 lakhs per mill per annum."<sup>‡</sup>

In spite of these various handicaps, the Ahmedabad textile industry has shown a steady and continuous progress for the following special reasons:

#### (A) THE STRUCTURE OF THE INDUSTRY AND MANAGEMENT

Ahmedabad had a peculiar way of financing the industry. The usual method is to raise sufficient share capital to meet all the expenditure and to make up the deficiency if any, of the share capital by Bank Loans. But in Ahmedabad the share capital was small in the beginning, and the major part of the outlay was financed by deposits from the agents, their relatives and friends. This arrangement enabled the industry to have a gradual expansion with a comparative cheap credit. This system has lately changed partially and deposits have now been substituted by share capital.

The managing agents were primarily merchants for generations and so when they took to the textile industry, they brought to it a rich inheritance of mercantile acumen, conservatism, organizing ability and commercial shrewdness. These qualities have "secured for the industry an identity of interest and purposiveness, normally absent from co-operative management".<sup>§</sup>

#### (B) QUALITY OF THE MACHINERY AND PRODUCTION

Since 1928, there has been some addition to the machinery of the mills. The mill-owners could have added better profits if they had more readily met any change in the technique of manufacture, or the demand of the market by constant transformation and renovation of the industry. Machinery and equipment for the manufacture of fine and superfine cloth, the market for which till then was monopolized by foreign importers, and those for fine spinning also have been introduced. High-speed machines for spinning, winding and warping are

<sup>‡</sup> *Centenary Volume*, cited before, p. 133.

<sup>§</sup> *Ahmedabad*, cited before, p. 37.

installed, processing and finishing have been mechanized and improved with the aid of improved machinery. Many of the mills have installed machinery for four colour printing as well as mercerization.

This has greatly improved production of the city mills. In 1928, the production of yarn of counts 40s and above was four million lbs. In 1948, the production has increased to about sixty million lbs., out of a total of 130 million by all the Indian mills. The Ahmedabad mills have produced in the same year about 300 million yards of coloured goods and 40 million yards of cambrics and lawns. This represented about 40 per cent of Indian production.

Today, Ahmedabad is the leading centre in India for the manufacture of bleached goods. More recently, it has extended its operation into the trade in printed goods. Since 1942, however, there seems to be some deterioration in the quality of the goods.

#### (C) CAPITAL-LABOUR RELATIONSHIP

Fifty per cent of Ahmedabad labour is locally drawn and is, therefore, more stable and homogeneous and less migratory. So the percentage of absenteeism in Ahmedabad is less than in other centres. In 1921, while in Bombay and Solapur, it was 12.83 and 18.80 respectively, it was only 8.36 in Ahmedabad.\* As a result of these factors, the production in Ahmedabad per worker per annum is about 700 yards while the average Indian production is 500 yards per annum.†

The industrial relationship in Ahmedabad can be said to be unique in India. It cannot be gainsaid that the typical Gujarati temperament is ever averse to fight and ready to adjust. This fact plays a prominent part in the retention of industrial peace in Ahmedabad. Besides, Mahatma Gandhi has initiated in Ahmedabad a system of voluntary arbitration for the solution of labour disputes as early as 1918 and it has continued, barring a few exceptions, to function to this day fairly successfully. As a result of this peace strategy, there was no strike of any serious magnitude from 1918 up to 1957 excepting

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\* *Bombay Labour Gazette*, April, 1952.

† *Centenary Volume*, cited before, p. 134.

the one of 1923, which lasted for about 10 weeks. The mill-owners and workers of Ahmedabad had adopted voluntary arbitration as early as 1918 when even the basic principles of labour organization or of collective agreement were unknown in our country. Shree Khandubhai Desai, the former President of the Indian National Trade Union Congress, and one of the two arbitrators, had declared in his Presidential Address to the Indian National Trade Union Congress held in Jamshedpur in November 1950, as follows:

The conclusion is obvious that even normally the solution of an industrial dispute by peaceful methods is the best solution in the interests of everybody....The blind imitation of methods practised in some industrially developed countries is not appropriate for our purposes.†

The acceptance of the method of arbitration has enabled the leaders of capital and labour in Ahmedabad to resolve many major and minor disputes during the course of thirty-seven years of its working. Dr. M. H. Patel of the Ahmedabad Mill-owners' Association, while counting the advantages of arbitration to the textile industry writes:

The bonus disputes from 1920 to 1923, the wages disputes of 1930 and 1935 and such others were amicably settled. It (arbitration) prevented loss of millions of man-days, loss of wages to workers and loss of profits to the industry. With this spirit of co-operation, it was also possible to accept the principle of rationalization in 1935, as well as the introduction of standardization of wages in 1938 which, in some cases, meant a decrease in wage rates.§

Well has Sheth Kasturbhai Lalbhai said in his address to the Rotary Club:

Even if Ahmedabad had made no other contribution to the industrial growth of the country, this approach to the industrial peace is enough to deserve a creditable mention in the history of any country.\*

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† *Harijan*, 2-12-'50.

§ *Centenary Volume*, cited before, p. 134.

\* *Ahmedabad*, cited before, p. 42.

## CHAPTER XVII

### THE INAUGURATION OF THE AHMEDABAD TEXTILE LABOUR ASSOCIATION

India is trying to evolve true democracy i.e. without violence. Our weapons are those of Satyagraha expressed through Charkha... prohibition and non-violent organization of labour as in Ahmedabad.†

—Mahatma Gandhi

#### **The Genesis**

Mahatma Gandhi founded on the 15th May, 1915 an Ashram at Kochrab, a village on the outskirts of Ahmedabad, and named it Satyagraha Ashram as conveying both his goal and his method of service. With this place as his headquarters, he started organizing the political life of the country on his then novel lines. The organization of workers and peasants naturally claimed his first attention. Ahmedabad being one of the great centres of textile industry, had a large labour population. Shrimati Anasuyabehn Sarabhai, an educated and enlightened lady of the city, a sister of a well-known mill-owner Sheth Ambalal Sarabhai, was a prominent Congress woman. Imbued with a spirit of service, she had already started before 1915 labour work on a moderate scale in the labour area of the city with the help of some of her friends. The notable among them was Shree Shankarlal Banker, a Cambridge master of science, a great intellectual, philanthropist and organizer. Shrimati Anasuyabehn had an added advantage of having studied, in her visits to England and to other continental countries, the various labour institutions of those places. These two labour leaders soon came under the influence of Gandhiji and he commenced with their help moulding Ahmedabad labour on his new lines. This is the genesis of the Ahmedabad Labour Association.

Some time after, it was suggested to Gandhiji that the local labour should be formed into a regular organization. His reply was characteristic. He said that labour in the West was being consolidated as a party hostile to capitalism. This makes the

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† *Harijan*, 18-5-'40.

industrial enterprise, not a co-operative venture designed to serve the community as it ought to be. He wanted India's labour organization on Indian lines which aimed at co-operation and co-ordination of capital and labour. He did not regard capital as the enemy of labour. He regarded them as the joint entrepreneurs in a common industrial venture. He felt that so long as that line of thinking which radically differed from the prevalent one, was not appreciated by industrialists on a sufficiently large scale, labour organization on his own lines might not be opportune at that time. He, therefore, advised the postponement of the idea to a later and a more convenient date. Labour work, however, continued as before under the personal direction of Shrimati Anasuyabehn.

### **First Year of Labour Work**

The first report covering a consolidated account of labour activities till the end of 1917 included the following items:

1. Education;
2. Sanitation and medical relief;
3. Cultivation of co-operative spirit, of thrift, and abstinence from drink;
4. Redress of grievances regarding wages, maltreatment of workers etc. by resort to law courts and even to strike if inevitable and possible.

The first report of the work records progress in all the above items. One day-school was started at Amarpura in Dariapur which is a prominent labour locality of the city, up to the 5th Gujarati standard with 100 students and 5 teachers. In many cases, books, slates and pencils were provided free to the students. They looked to the sanitation of the school-building and its surrounding area as a part of their education and worked in the vegetable garden of the school. Once a week, preferably on Sundays, tooth-cleaning, soap-bath and washing clothes formed a chief part of their sanitation programme. One night-school was opened in the above premises with 60 students and 4 teachers. Resident workers of the slums were organized in groups to attend to the sanitation of their respective areas. Constipation, malaria and conjunctivitis were the general complaints of the labour population. Arrangements were made to

distribute magnesium sulphate, quinine and argyrol to the suffering people in those areas. Serious patients were treated by two qualified doctors who had volunteered their services for the work.

An economic inquiry of the above centre revealed the appalling indebtedness of the working population. They used to pay 30 to 300 per cent interest to the Shahukars. Their first need, therefore, was education in rudimentary accounts and provision was made for imparting it. Twelve elderly residents of the locality were persuaded to form a co-operative society of their own and all the workers of the area were induced to order out their necessities through the society. As days went on, more co-operative societies were organized. This laid the foundation of an important movement which went a long way in consolidating Ahmedabad labour in future. The fourth activity was in relation to the redress of grievances of the workers. Even though two Factory Inspectors were appointed to ensure the strict observance of the Factory Act, some cases of violation of rules were detected and were reported to the Inspectors. One such defaulting mill was fined Rs. 1000/-.

In the latter part of 1917, Ahmedabad was in the grip of plague and many workers left the city for their villages. This created paucity of workers for the mills. The mill-owners, therefore, started from August 1917, giving special bonus to the workers with a view to dissuade them from leaving the city. The bonus, popularly known as "Plague Bonus", was sometimes as high as 70 to 80 per cent of the workers' wages. The warpers of all the mills were excluded from this privilege. They, therefore decided that they should form themselves into a Union under the chairmanship of Shrimati Anasuyabehn and strike work under her leadership. This was done, and after a few days of stoppage, they were able to secure 20 to 25 per cent bonus from the 4th December 1917. This day (4th December) is being celebrated as the Peace Day by the Ahmedabad workers till today. During the period of the strike, the operatives were given relief to the tune of Rs. 3500/-. The success of the strike strengthened the Union and created confidence in the leadership of Anasuyabehn.

The next strike was organized by the mill weavers in the early part of 1918 under the leadership of Gandhiji which gave

unique orientation to the labour movement of the whole country. This has been separately treated in the following chapter.

The finances for the labour work were met by private donations and the report of the year, while appealing for Rs. 10,000/- for the next year, concluded with an assertion that as the worker is the prop of the society, the society in its turn is bound to look to his wellbeing.

### **Second Year of Labour Work**

The second year's (1918-19) report registers further progress of all the activities. In the Amarpura school, provision was made for teaching also drawing, carpentry, spinning and weaving. Seven more night-schools were added for the labour areas of which two were specially for Harijans and they were conducted by Harijan teachers. Medical relief work was extended. Four more co-operative societies were organized. The report records three strikes during the year of which two were successful. Legal action was taken against thirteen mills for late payment of wages.

We have chosen to review rather in detail the two years' activities of the labour work. This would indicate the specialities of this work which are as follows:

1. The social or the welfare programme has been given the first importance. The underlying idea is that an educated, healthy and contented labour is at any time more progressive, more productive and more effective.

2. Elimination of workers' complaints with the help and co-operation of the employers is the most foresighted policy to secure justice and happy industrial relations. Where persuasion, conciliation and arbitration fail to bring about a settlement, resort may be taken to law courts and even to strikes. A labour union is combative and militant only when social justice becomes impossible of attainment by co-operative policy.

### **Inauguration of Throstle Department Workers' Union**

After the termination of the wage strike of 1918, Sheth Ambalal Sarabhai who was then the President of the Mill-owners' Association and other prominent mill-owners began to



see the utility of a labour union even for the smooth working of the mill industry. A union, they thought, would enable them to feel the pulse of the labouring classes before they would choose to flare up into a strike. Besides, an organized body is at any rate a better party for negotiations than a disorderly mob. Shrimati Anasuyabehn also wanted a union since long and Gandhiji was finally persuaded to give his assent to it.

On the 25th February 1920, Gandhiji formally inaugurated the Union of the Throstle Department workers. This union developed later on into the present Ahmedabad Textile Labour Association.

### **Gandhiji's Address to the Union**

Gandhiji's inaugural address contained an exhaustive treatment of his conception of labour work and as such, has formed a basis for the later work of the Labour Association. We have, therefore, given below an elaborate summary of his speech:

Two or three years before, Gandhiji began by saying, Anasuyabehn thought of starting a Weavers' Union, and had also begun some work in that direction. But at that time, he was not much in favour. It was an activity involving great responsibility. They might start the union with the purpose of serving labour; but if, after a time, the responsibility could not be adequately carried out, they might be very much disserving rather than serving the workers. While giving his own ideas of labour work, he said:

I am observing that our country is at present undergoing such changes that if those in charge of the work are not clean and pure-intentioned, are not able to understand minutely our special circumstances, if they have not a thorough grasp of the work, and are not able to manage the union in that spirit, they are likely to become an axe which might cut our own feet. If we have not such kind of workers, we should rather not get entangled at all in the organization of the union. I have given this opinion two years ago and today also I repeat the same opinion.

His thoughts on politics, both ancient and modern, in its relation to the workers are worthy of note. He continued:

Since the termination of the war, a sort of a chaotic condition prevails in England and in all other European countries. Under the circumstances, the workers all over the world stand in danger of losing their ground if they do not themselves attend to their own interests. In

these times, those who cannot organize themselves into united groups, adjusting themselves with other sets of people, cannot stand. The present political machinery is working in such a manner that if each man and woman who would not of his or her initiative contribute his or her share to it, and would be negligent of his or her own interest, would be simply wiped out. In olden days it was not necessary to know who the king was and what he did. It was enough if the revenue was paid. The escape at present is not so easy. Notwithstanding our desire or otherwise, we have been at present connected with politics in such a way that we would lose our moorings if we do not learn to understand thoroughly the implications of our political responsibility.

Explaining further the details of how a common man ought to know new ways of life, he stated:

I desire to explain to you further in simple words this matter. Even the workers in future will have to participate personally in political affairs to a greater or less extent. In old days, we knew only of our fields; there were neither mills nor mill-owners nor legislation relating to them. Today all this is come and we must know what all this is. There are laws regarding even religion and family. But we do not regard them as such, because they do not involve punishment or fine. In these days, one man alone would not be able to do good to us; we would be required to co-operate with him in our own interests. It is not unlikely that those who represent us in either Governments or legislatures would betray our interests. It is even for this reason that we are required to understand fully our affairs. We shall have to know also how we should bring up our children, why the provision of their education is scanty, why the corn-prices shoot up and so on and so forth.

Gandhiji made it clear that those workers who believed that they would form a union in order to fight the mill-owners and to intimidate them or that they would use the union towards that end, should rather not think of joining it. He himself had not done anything in his life to oppress the mill-owners or to injure them and no such thing would ever be done by him. Anasuyabehn and Shankarlal also think likewise. It was for that reason that he sought their co-operation in the service of labour. Mahajans were not for oppressing industrialists, but they were there for protecting labour.

He was against sending women and children to work in the factories. He said:

Labour is not for children. The factory labour is not even for women. They have enough work in their homes. They must attend to the bringing up of their children. They should offer comforts to their husbands when they return from work exhausted and should soothe them if they were agitated. This is necessary if we desire to make our

life happy and peaceful. If women would go out for work, our family life would degenerate. Today workers are helpless. They are being carried away and are obliged to take work, even though reluctantly, from their women and children. It is true that you must have more wages in order to be able to escape from vicissitudes. By forming a union, all this can easily be accomplished.

Gandhiji further warned them that the workers should also take into consideration how they would spend money when they got more wages. They should abstain from unnecessary expenditure. They should not waste money over liquor, gambling etc. If a worker earned more, he should give more relief to his wife and should educate her. If he got still more money, he should engage a lady teacher for her and should educate his children. He should keep his clothes clean and should shift from a damp and dirty house to a better one. More earnings were really welcome if they were properly spent. If the workers became true, good, straightforward, courteous and religious, their life would be happy and fruitful.

Explaining the advantages of forming a union, he said:

A union would bring about harmony and unity. We would be able to do our activities methodically. I know that the mill-owners also think it desirable to have a union. Nowadays, every worker has his own innumerable difficulties and complaints which he likes to get removed. With the coming into existence of the unions, negotiations can be carried on with the union officers and settlement arrived at more easily. This is in the interest of both the parties. You should, therefore, undertake the work after full consideration and understanding.

It should be seen that in the above inaugural address, Gandhiji had given in a nutshell his ideas on labour work. These objectives have formed the basis of the Association's first constitution. It underwent changes in the following years as the Association went on expanding its activities in various directions. We give below its objects as are incorporated in its latest print (1951):

### Its Objects

- (1) To secure effective and complete organization of the workers of all grades and departments, working in the local textile mills;
- (2) to direct and co-ordinate the activities of the various unions of the textile workers of Ahmedabad;
- (3) to foster a spirit of solidarity, service, brotherhood and co-operation among the workers;

(4) to raise the status and improve the conditions of life of the workers through internal efforts;

(5) to develop in the workers a high sense of responsibility in the discharge of their duty to industry;

(6) to obtain and maintain a fair and adequate scale of wages and reasonable hours of work and generally to ameliorate in every way the position of workers in the industry; and in pursuance of this object, to provide such trade benefits as funds and conditions may permit;

(7) to secure the redress of grievances of the members, to regulate the relations and secure, as far as possible, a settlement of disputes between the employers and the employees by mutual consultation and, on failure, by reference to arbitration, so as to avert avoidable stoppage of work;

(8) to make all necessary arrangements for the efficient conduct and satisfactory and speedy conclusion of authorized strikes, and to provide against lock-outs by the employers;

(9) to ensure the enforcement of all legislative enactments for the protection of labour;

(10) to promote the civic and political interests of the work people;

(11) and lastly, in due course, to nationalize the textile industry.†

### Its Special Features

The Ahmedabad Textile Labour Association, popularly known as Ahmedabad Labour Association, aims, like other trade unions, at the pursuit of the interests of its members and of the trade it represents. But it seeks to improve and purify the lives of the workers with a view to make them effective instruments for bringing about a silent revolution in the labour world.

The special features of this Association may be noted below:

1. The Association shall organize labour in a spirit of service and co-operation. The life and status of labour would be improved by internal reforms and by the promotion of its civic and political interests. Its opposition is to the system of Capitalism and not to the capitalists.

2. The workers are expected to be co-operative and honest in the discharge of their duties towards the industry.

3. The Association shall endeavour to secure for labour necessary legislation, adequate wages, reasonable hours of work and other possible trade benefits. It should be remembered that the emphasis of the Association is on

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† *Constitution of the Textile Labour Association, Ahmedabad*, pp. 1-2.

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‡ *Constitution of the Textile Labour Association, Ahmedabad*, pp. 1-2.

economic, ethical and social amelioration of the workers and on making them good and responsible citizens of the Sovereign Democratic Republic of India. It believes as it does that if the workers grow in enlightened dutifulness, are socially reformed, and organizationally strong, its political status would grow automatically.

4. Settlement of disputes shall be by negotiations, and in case of failure, by reference to arbitration. There would be speedy conclusion of authorized strikes and provision against lock-outs. Resolving the disputes by arbitration, in the opinion of the Association, is the effective way of satisfactory solution.

5. It should be noted that the final ideal which the Ahmedabad Labour Association aspires to reach is the nationalization of the textile industry in due course.

Gandhiji, of course, envisaged that such a revolutionary change can be effected by only a non-violent and gentle operation. § Who would have believed ten years ago that the zamindars of India would be prepared to offer without compensation, tens, hundreds and even thousands of acres of their ancient lands in the Bhoodan Yajna of Acharya Vinoba Bhave?

### A Federation of Various Occupation Groups

The first union which was inaugurated by Gandhiji was of the workers of the Throstle Department. But as years went by and brought sure benefits to the labouring people, workers from other departments also offered to form their respective unions under the aegis of the Ahmedabad Labour Association. Consequently the Labour Association of today developed into a federation of various occupation groups, which are as follows:

- (A) Frame, Card and Blow; (B) Throstle; (C) Reeling; (D) Winding;
- (E) (a) Weaving, (b) Warping, Sizing, etc.; (F) Calendar, Finishing, Folding; (G) Jobber-Makadam; (H) Clerks; (I) Engine-room, Mechanics;
- (J) General.

§ Cf. "Some such process (gentle operation) and some such end (peaceful revolution) was visualized by Gandhiji when in the year 1923, he introduced in the constitution of the Ahmedabad Textile Labour Association a sub-clause making the following addition to the aims and objects of the organization: and lastly, in due course, to secure nationalization of the textile industry."

—Shri Gulzarilal Nanda in *Gandhiji*, p. 147.

Gandhiji while discussing as an arbitrator in one of the wage disputes of Ahmedabad had said:

Capital and labour in Ahmedabad are complimentary to each other and this harmonious relationship is worthy of accomplishment. When I called upon Whitley in London, he said to me, "I agree that I have neither a like union nor a like constitution as you have in Ahmedabad." It is, therefore desirable that the industrial concord existent in Ahmedabad should be permanent.\*

## CHAPTER XVIII

### GANDHIJI LEADS WAGE-STRIKE IN 1918

मृदुना दारुणं हन्ति । मृदुना हन्त्यदारुणम् ॥  
नासाध्यं मृदुना किञ्चित् । तस्मात् तीक्ष्णतरं मृदु ॥†  
महाभारत.

#### Genesis of Wage-strike

In the latter half of 1917, Ahmedabad suffered an outbreak of plague and the workers started running to their villages. This created a paucity of labour in the mills. The mill-owners, therefore, began to give special bonus to those who could be persuaded to stay on and to stick to their jobs. This special bonus came to be known as a "plague-bonus". As the bonus sum was sufficiently tempting, many of them preferred to continue their work.

From August 1917, the weavers working in the local mills were receiving satisfactory plague bonus. In some cases, it was as high as 70 to 80 per cent of the worker's wages. It was, therefore, natural that many weavers, who otherwise would have left the city, were tempted to stay on to continue working in the mills even at the risk to their lives. After a few months,

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\* *History of Wage Adjustments in the Ahmedabad Industry*, Vol. III, p. 43.

Cf. "Ahmedabad Labour Association has set an example of common sense in labour matters by co-operating whole-heartedly with the employers." —Gennings in his Foreword to Dr. Mukhtar's book, *Trade Unionism and Trade Disputes in India*.

† "Verily by the tender, the terrible and the unterrible can be vanquished. There is nothing unaccomplishable for the tender. The tender, therefore, is more incisive."



the pestilence subsided. But the prices of foodgrains, cloth and other necessities of life, which were greatly inflated during the First War had not abated. The bonus, therefore, was continued to be given as before.

But in January 1918, the mill-owners were reported to be contemplating to stop the bonus abruptly. This naturally agitated the workers of the weaving departments, and they suggested that in case of discontinuance of bonus, they should be given 50 per cent increase as dearness allowance in its place. The mill-owners were in no mood to listen and the industrial atmosphere of the city was disturbed with strike rumours.

### Appointment of the Arbitration Board

At that time another trouble was brewing in Kheda district. The rains had failed that year and there was famine in the district owing to the failure of crops. The Gujarat Sabha of which Gandhiji was the President, took up the cause of the Kheda peasants and started negotiations with the Government in the matter of suspension of the land revenue. Gandhiji had been to Bombay in that connection on the 2nd of February 1918. Sheth Ambalal Sarabhai, a leading mill-owner of Ahmedabad, happened to meet him there. He informed Gandhiji of the industrial tension of Ahmedabad and feared that undesirable consequences might result from a possible strike. He, therefore, requested Gandhiji to intervene in the matter and help the mill-owners avert the crisis.

On returning to Ahmedabad, Gandhiji started discussions with prominent mill-agents of the city. The Collector also invited Gandhiji for an interview in the matter. Ultimately, it was agreed on the 14th February 1918 to settle the question by arbitration. The Arbitration Board consisted of Sheth Ambalal Sarabhai, Sheth Jagabhai Dalpatbhai and Sheth Chandulal on behalf of the mill-owners, and Gandhiji, Shree Vallabhbhai Patel and Shree Shankarlal Banker on behalf of the workers with the Collector as the Umpire.

### Fixation of 35 per cent Increase

Soon after this appointment, Gandhiji had to rush to Kheda for an economic inquiry of the peasants. He was informed there

that the situation in Ahmedabad was getting critical. The mill-owners were reported to be on the point of declaring a simultaneous lock-out in the mills. This naturally perturbed the workers and some of them hastily resorted to a strike in a few mills. Gandhiji, on his return to the city, saw that the precipitate strike was a mistake. He apologized to the industrialists on behalf of the workers and offered to dissuade them from continuing it. But the mill-owners, though they themselves were not wholly free from blame, insisted that since the workers resorted to a strike after the appointment of an Arbitration Board, the arbitration stood cancelled *ipso facto*. They contended further that with the cancellation of the arbitration, they were quite free to do what they liked under the circumstances. They might dismiss all the workers who were not willing to work with only 20 per cent increase in wages. Gandhiji tried his best to dissuade the industrialists from this position. But they were adamant and refused to budge an inch. Thus the situation, in spite of Gandhiji's conciliatory efforts, developed into a deadlock.

Gandhiji could at once see that the impending threat required a more radical treatment. He began meeting the workers more frequently and with the help of their two popular leaders Shrimati Anasuyabehn and Shree Shankarlal Banker started an economic inquiry of the workers. He studied the scales of wages at Ahmedabad and Bombay, the demand of the workers, the financial position of the mills, the commission which the mill-owners charged before and after the War and whether the industry could bear the burden of the increase demanded. On the basis of this study, he came to the conclusion that the workers should not demand more than 35 per cent, though, in fact, they were asking for 50 per cent. He thought he would inform the workers of his findings and would persuade them to keep their demand at 35 per cent. But before doing so, he felt it proper to communicate his opinion to the mill-owners and to request them to give their opinion on his conclusions. But fancy, the industrialists regretfully pleaded their inability to assist him in any way!

This act of non-co-operation on the part of the capitalists with Gandhiji's work of conciliation must be examined in some details. He had returned to India in January 1915 as an "African

Warrior" and within three years after his return was a recognized all-India leader. He had proved even in India that he had the unique knack of fighting oppression and injustice in a peaceful way. The present struggle was being developed at his own place, namely Ahmedabad, and in its suburban village Sabarmati, he was conducting his now world-famous Satyagrahashram. The institution was partially financed by the mill-owners of Ahmedabad, most of whom were in the present struggle arrayed against him. The industrial tension, therefore, was a sort of a "domestic affair". With a little imagination on the part of the mill-owners, the whole affair could have been resolved in one sitting. We cannot do better than quote below Gandhiji's remarks describing the mill-owners' role in the initial stages of the struggle:

We saw that if prompt and decisive action was not taken, workers would be forced to surrender and be humiliated. So we began enquiring into the question of wage increase. We attempted to secure employers' help but they did not give us any. They were all the while contemplating using their organized strength to disrupt the workers' unity.... Nevertheless, we made an effort to understand the mill-owners' side, and came to the conclusion that a 35 per cent increase would be just. We communicated the result of our enquiry to the mill-owners before informing the workers.<sup>5</sup>

As was expected, the Mill-owners' Association issued a rejoinder reiterating that 20 per cent increase they had proposed was "in accord with justice".

By the by, it would be a bit amusing to examine the characteristic manner in which Gandhiji, as a champion of compromise, sought to support the suggested percentage. This is how he argued 35 per cent as the compromise between 50 per cent of the workers and 20 per cent of the mill-owners:

It has to be noted that workers were paid 70 per cent rise on wages on account of plague and that they had declared that since prices were rising higher, they would not accept anything lower than a 50 per cent increase. As against this, we suggested to them to accept a mean between their 50 per cent and 20 per cent by the mill-owners.<sup>6</sup>

### Gandhiji Assumes Leadership

When the mill-owners refused to agree to pay 35 per cent increase, Gandhiji insisted that the matter might be referred

<sup>5</sup> *A Righteous Struggle*, cited before, p. 93.

to the Arbitration Board which was already appointed. But the mill-owners contended that it stood already cancelled, and that, therefore, reference to an arbitration was out of question. He could then see that a struggle was inevitable. Both parties seemed to be in a fighting mood and an attitude of challenge and doggedness characterized their activities. Both the workers and the mill-owners established their organizations as camps for the impending struggle. The mill-owners started the offensive and declared a lock-out on the 22nd February 1918. From this date, the workers were compelled to remain without work.

Ever since the day the workers accepted the leadership of Gandhiji and his co-workers, Gandhiji put a restraint on their tendency for the horseplay, diverted their enthusiasm to constructive lines and tried to give the struggle a sober and serious turn. He began to interest himself with the whole life of the workers, and how and where they lived, what they ate and drank, and how they spent their leisure. The workers wholeheartedly welcomed this approach and sought his help in the solution of their many difficult problems. This personal approach created an indissoluble bond between Gandhiji and the Ahmedabad workers. The following means were adopted for the purpose:

1. To visit the workers' quarters, make detailed inquiries into the mode of their life, advise them to remove defects and help them in their other difficulties also.
2. To guide them regarding their conduct during the struggle.
3. To enlighten them on the issues and principles involved in the struggle at a public meeting for workers to be held daily at a fixed place.
4. To issue instructive leaflets everyday dilating upon the duties and responsibilities of the workers in the industrial life of the country and upon how they could play an effective part as responsible citizens.

In this organizational work, Gandhiji had the invaluable help of the veteran and popular leaders Shrimati Anasuyabehn and Shree Shankarlal Banker. Shree Chhaganlal Gandhi who had a long experience of the South African Satyagraha also joined

the party and the three started visiting the workers in their huts, both in the mornings and evenings. They collected full information regarding the workers and their families and instilled courage into those who looked exhausted and wavered and feared starvation. They arranged for medical treatment of the sick and procured employment for those who wanted it. These visits served the purpose of enabling the party to feel the pulse of the entire local labour community. As we shall see later, this intimate contact greatly helped Gandhiji take the workers with him in the whole course of the struggle and when he resisted their vacillation in the final crisis with a fast, they soon realized their mistake and readily recanted.

The Ahmedabad workers have the unique fortune of having Shrimati Anasuyabehn as their guide who is more than a mother to them. For more than a generation now, she is serving labour with supreme dedication and devotion, love and care which only a woman can command. Though coming from a wealthy family, she has chosen to devote all her energies to the work of labour. It is her insistence on truth and justice and her courage to speak out the truth which has made her the idol of Ahmedabad labour. Indeed, it is difficult to find her parallel in the whole of India. So great were her love and readiness to help the workers in the struggle that they were free to go for advice to her place at any time during the day. In the final days of the struggle, they would sometimes knock at her door even at one or two o'clock at night and she would cheer them up with sound advice. It is hardly necessary to emphasize how this salutary influence kept up the morale of the workers throughout the whole strike.

Arrangements for daily meetings and distribution of instructive leaflets were made to give guidance to the workers on day-to-day questions. The workers daily paraded the streets of the city in peaceful processions, carrying their banner bearing the inscription *EK TEK* (keep the pledge). Every evening they gathered under a Babul tree on the eastern bank of the Sabarmati river outside the Shahpur Gate, where Gandhiji, Anasuyabehn, Shankarlal Banker and others addressed them. These meetings naturally became very popular and a source of inspiration to the workers.

## Specialities of Gandhiji's Labour Leadership

We intend to examine here in a nutshell the characteristics of Gandhiji's labour leadership as was seen from his speeches and leaflets issued during the struggle.

The struggle was based on truth and non-violence. He had successfully led the peasants of Champaran during the previous year. Now was the labourers' turn. He had no doubt whatsoever that, like the unsophisticated Bihar peasants, the simple-minded workers also would rise to the occasion. As he explained later, "the belief of the masses in non-violence was unintelligent, even as the belief in the earth being round with many is unintelligent. But their belief in their leaders was genuine and that was enough".‡

In the initial days, he spoke on the importance of the pledge which the workers took in one of the evening meetings. The pledge was as follows:

1. Not to resume work until a 35 per cent increase on the July (1917) wages was secured.
2. During the period of the lock-out, not to indulge in mischief, quarrelling, robbing, or abusive language, or cause damage to mill-owners' property but to behave peacefully.

The workers were asked to take this pledge with God as witness, and all joined together in enthusiastically repeating it every day. Thus the pledge became, during the whole struggle, the prop for the sustenance of the workers' morale. "Stand by your pledge firmly," Gandhiji declared, "you may have to starve to death. Even then you should declare that you have taken the pledge with God as your witness. . . . Rest assured that none can whittle down your 35 per cent even by a quarter."§ "If you weigh a pledge against lakhs of rupees," he said in one leaflet, "the weight of the pledge would be greater. . . . The workers have no other way to rise higher, except to stand by their oath."\*

According to Gandhiji, "in the last resort, non-violence does not avail to those who do not possess a living faith in the God of Love".† "Workers have no money," he talked to them assuringly, "but they possess a wealth superior to money—they

‡ *Harijan*, 4-11-'39.

§ Desai, Mahadev, *A Righteous Struggle*, p. 12.

\* *Ibid.*, p. 57.

† *Harijan*, 5-9-'36.

have their hands, their courage, and their fear of God."‡ But faith in God must be backed up by the power of hands. God helps only those who help themselves. "Workers have hands and feet," he explained in another leaflet, "which can do work, and there is no part of the world which can do without workers. If the worker, therefore, realizes this, he will know that he holds the key to the situation."§ Why should he be afraid of unemployment? "The worker can be so independent." Gandhiji expounded in the eleventh pamphlet "that if he realizes his true worth, he will never feel uneasy on losing a job. A worker's capital is inexhaustible, it cannot be stolen, and he gets the desired interest from it all the time. His hands and feet, his skill and energy, constitute his inexhaustible capital and wages are his interest."\* What worker worth the name can ever think of begging? "Who will not look down upon those," Gandhiji warned in the fourteenth leaflet, "who desire to be maintained on public funds without doing any work? If a worker does not work, he is like sugar which has lost its sweetness."†

In one speech, Gandhiji dilated upon the importance of suffering in Satyagraha. "I have always believed," he declared, "that our penance and capacity to bear suffering with understanding is bound to be fruitful if it is sincere."‡ "The real secret of Satyagraha lies in bearing cheerfully the difficulties that it may entail. The more a Satyagrahi suffers, the more he is tested."§ This was his favourite dictum. The enjoyment of rights betokens readiness to suffer. "This struggle," he said in another leaflet, "is not merely to get a 35 per cent increase. It is to show that the workers are prepared to suffer for their rights."\*

But the suffering should not engender hatred of the employers. "If any catastrophe," Gandhiji said, "were to befall the mill-owners, the workers should not harass the owners by taking advantage of their difficulty, but should run to their

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‡ *A Righteous Struggle*, cited before, p. 11.

§ *Ibid.*, p. 39.

\* *Ibid.*, p. 36.

† *Ibid.*, p. 60.

‡ *Ibid.*, p. 27.

§ *Ibid.*, p. 20.

\* *Ibid.*, p. 60.

help.”† Because “the relation between servant and master should be based, not on the selfish interest of either, but on the welfare of both, not in the spirit of this much work for this much pay, but on mutual goodwill.”‡ Using a homely metaphor, he added, “the organization of employers against workers is like the arraying of elephants against ants. Considering this matter from its moral aspect, the employers should tremble to oppose the workers.”§

A worker earning his bread by the sweat of his brow cannot afford to fight with his bread-giver. Indeed, a struggle in a worker's life is an abnormality. If he, in his normal life, is free from indebtedness and idleness, and if he is industrious and honest in his work, he would seldom come to grief. Gandhiji had seen in his economic inquiry that the Ahmedabad workers paid on debts interest ranging from 75 to 300 per cent! The best way to remedy this state of things, according to Gandhiji, was “to start a Mutual Aid Movement among workers which can help them with money”.\* The worker should regard all honest work as honourable. “We believe,” he asserted in the seventh leaflet, “weaving of cloth, breaking stones, sawing or splitting wood, or working in the fields, are all essential and honourable occupations....The industrious worker has no cause to be uneasy even for a moment.”†

Gandhiji's leadership had provided to the Ahmedabad workers not only a non-violent technique for fighting with the mill-owners for the removal of their grievances, but it gave them a creative conception on the basis of which the workers could construct or build their life anew and make themselves effective citizens of the country. “My handling of civil disobedience,” Gandhiji wrote, “without the constructive programme, will be like a paralysed hand attempting to lift a spoon.”‡

### The Role of Mill-owners

While Gandhiji and his band of loyal co-workers were straining every nerve to keep the workers non-violent and firm,

† *A Righteous Struggle*, cited before, p. 16.

‡ *Ibid.*, p. 15.

§ *Ibid.*

\* *Ibid.*, p. 55.

† *Ibid.*, pp. 13, 57.

‡ Gandhi, M. K., *Constructive Programme*, p. 29.



the mill-owners were occupied in breaking the workers' morale! They had already commenced the lock-out on 22nd of February 1918. But when they saw that the other party was being organized for effective defensive, they terminated the lock-out on the 12th of March 1918 and announced that mills would be open for all those workers who were prepared to accept an increase of 20 per cent. Thus the workers' strike really commenced on that day. Gandhiji began to hold daily meetings in the mornings so that the ignorant workers might not be tempted to resume work in the mills which opened in the morning.

The industrialists, on the other hand, were trying various devices for demoralizing and enticing the workers. They engaged men to undermine the morale of the workers who eventually suffered great mental embarrassment. It was reported that the capitalists had stipulated that a scab who would bring with him in the mill five or more workers would be given a reward. Gandhiji was trying his best to persuade the mill-owners to accept the moderate demand. He was busy in explaining the position to the mediators also. But he saw that "the mill-owner friends were prolonging the deadlock". They called Gandhiji and his noble band of patriotic workers "outsiders" and complained that in case a dispute arose between them and the workers, the intervention of a third party would endanger their prestige and would slacken discipline of the working population! They offered to immediately concede 35 per cent if Gandhiji would promise to keep himself away from the workers for all time in future, and would leave matters between them and the workers entirely to them! And had they also not a pledge to abide by? they naively argued. "Just as you have taken an oath, so have we," they asserted. Gandhiji put them a counter-poser: "Is it open to a king to take an oath that he will tax his people heavily and harass them by not listening to any of their grievances?" While Gandhiji resorted to a fast to keep up the morale of the wavering workers, the industrialists were intent upon persuading Gandhiji to break his fast, but they had not cared to see the pledge of the workers fulfilled!

### **Gandhiji Undertakes a Fast**

The strike had begun on the 12th March and since then various influences were working on the simple minds of the

workers. Some of them had begun to ask, why they should fight when neither of the parties would give up its obstinacy and would come to a compromise. Some others posed: "How can workers have any pledge?" The climax, however, came when some workers confronted Shree Chhaganlal Gandhi with the words, "Gandhiji and Anasuyabehn move in a car and eat sumptuous food. But we are suffering death agonies. Would attendance in meetings prevent starvation?" This was reported to Gandhiji. The next morning (16-3-1918) he went to the meeting. He saw only a thousand melancholy faces with disappointment writ large thereon, in place of five to ten thousand who used to assemble daily beaming with self-determination. The meeting proved to be eventful. Gandhiji poured forth his soul before the workers and concluded with an announcement, "I cannot tolerate for a minute that you break your pledge. I shall not take any food nor use a car, till you get 35 per cent increase or all of you die in the fight for it."§

This declaration came like a bolt from the blue and had a magic effect upon all concerned. The workers resolved that they would not give up the pledge and that they would go to the houses of those who were vacillating and would not allow them to weaken. Crowds of those who needed work gathered at the Satyagrahashram and joined as labourers in the construction work of the Ashram buildings. The despondence vanished and the workers grew more determined than ever. Gandhiji had fasted before for religious and personal reasons. This was his first fast in a public cause.

### A Satyagrahi Fast

It would be pertinent here to examine the potentialities of a fast in a non-violent struggle between the employers and the

§ *A Righteous Struggle*, cited before, p. 25.

Cf. While speaking about the fast in the evening prayer at Satyagrahashram, Sabarmati, on 17-3-18, Gandhiji said:

"The step which I have taken now is very extreme but it expresses a great thought....For the last twenty days I am mixing with ten thousand workers. They took a vow in my presenee with God as their witness....Their faith was much tested and they began to waver....I cannot tolerate such a circumstance....If ten thousand workers break their vow, the whole nation would go down. It would be impossible to take the labour question again."—*Mahadevbhaini Diary*, (Gujarati)

Vol. IV, pp. 57-58.

employees. "Fast is the last weapon in the armoury of the votary of Ahimsa. When human ingenuity fails, the votary fasts. It awakens the sleeping conscience of the people."\* "The only language," Gandhiji asserted at another place, "they (the masses) understand is the language of the heart; and fasting, when utterly unselfish, is the language of the heart."† After the termination of the fast, Gandhiji issued an explanation about his fast in which he had put the reasons more factually and realistically. He said:

What should I do under these circumstances?... I have immovable faith in God, just as if He were actually visible. And I believe that it is necessary to keep an oath at any cost.... I felt that that was a sacred moment for me. My faith was being tested, and I stood up without hesitation and declared that breach of an oath solemnly taken by the workers was unbearable to me.‡

The doubting and the desertion of the workers described above marked the crisis in the struggle in which Gandhiji's leadership was tested. He resorted to fasting which marvelously pulled up the fluctuating section and gave a fresh fillip to the strike. In the latter period of his life when he had led Satyagraha movements on an extensive scale, many crises arose during the long period when people lost faith in the movements and were utterly fagged. At such times, he had resorted to fasts. The fasts had invariably a miraculous effect upon the popular enthusiasm. They had energized the people into renewed activities and had enabled them to surmount the crises.

### The Appointment of an Arbitrator and His Award

As Gandhiji's fast continued the workers grew more determined and active, and national leaders expressed anxiety about Gandhiji's life. The mill-owners also were naturally perturbed and they started saying that they would give 35 per cent increase to the workers for Gandhiji's sake. He flatly turned down their offer by saying, "Do not give 35 per cent out of pity for me; but do so to respect the workers' pledge, and to give them justice." After three days' discussion, arbitration was agreed to on 20th of March. This terminated Gandhiji's fast.

\* *Harijan*, 21-12-47.

† Shukla, Chandrashankar, *Conversations of Gandhiji*, p. 127.

‡ *A Righteous Struggle*, cited before, p. 95.

The compromise was characteristic showing as it did Gandhiji's concern to guard the honour of both the parties. It was decided to give the workers 35 per cent increase on the first day to enable them to uphold their plea, a 20 per cent increase on the second day to honour the employers' resolve, and thereafter, an increase should be decided by an arbitrator! Prof. Anandshankar Dhruva, a great Orientalist, a respectable citizen and a professor in the local Government college was appointed as an arbitrator by mutual agreement. As he required a period of nearly three months for investigation and award, both the parties decided again by compromise that during the interim period, i.e. from the 3rd day onwards the workers should reduce their demand by  $7\frac{1}{2}$  per cent and the mill-owners should increase their offer by  $7\frac{1}{2}$  per cent, and that the workers be given  $27\frac{1}{2}$  per cent during the period. The workers resumed work on that day, thus terminating the memorable struggle after 25 days. At the meeting held under the very tree where the pledge had been taken, Gandhiji explained to the workers the terms of the settlement and expressed satisfaction that the mill-owners had accepted the principle of arbitration. The Commissioner of the Northern Division who was present in the meeting exhorted the workers "to follow Gandhi Saheb's advice". The mill-owners distributed sweets to the workers.

The arbitrator started work and asked both the parties to state their case in writing. But "due to inevitable difficulties" he could not get the statement from the mill-owners' group for three months! But when they sent it, they said that it was not possible to collect all the data asked for. He, however, found that the basis for the award lay in the fact that in the majority of mills, 35 per cent was already being given and in some cases as much as 50 per cent. He, therefore, gave the award on 10-8-'18 that the mill-owners should give workers a 35 per cent increase for the remaining period of the dispute i.e. they should pay the difference of  $7\frac{1}{2}$  per cent in addition to  $27\frac{1}{2}$  per cent which was paid then. Thus ended happily the 25 days' "righteous struggle" of the Ahmedabad workers.

## Industrial Relations and the Wage-strike

What is the moral of this story of the wage-strike? It is this that the workers, if they feel that they are not given just treatment in regard to wages, conditions of work, etc. have the right to strike as a protest against the treatment on the basis of truth and non-violence. Truth in this case would be economic justice or pure justice. They are bound to succeed provided their demands are moderate and acceptable and they are ready to suffer till the realization of their goal.

### Pure Justice and Personal Approach

Gandhiji has defined pure justice as follows:

Pure justice is that which is inspired by fellow feeling and compassion. There was the time in India when servants used to serve in the same household from father to son for generations. They were respected and treated as members of the family where they served.... Where such an arrangement exists, there is hardly any need for a third person or an arbitrator. The disputes between a master and a servant are settled by both together amicably. This was mainly due to the mutual regard, discipline, courtesy and affection. History records that many great deeds were achieved by our people because they had made this pure justice the law of their life.... That line of action which does not harm either party is alone justice.<sup>†</sup>

The ideal of economic justice is of supreme importance in the consideration of industrial relations. This ideal induces the adoption of human approach in industry. The elucidation of Gandhiji given above may appear to be individualistic and to hold good on only a small scale. This is not so. Modern western writers also who are habituated to think in terms of big industrial concerns, have begun to accept the inevitability of this personal approach in industrial relations. An expert body like the National Industrial Conference Board of New York says:

The recognition that dealings with employees should be conducted with the same regard for the rights and opinions of others that characterizes other human contacts and that it is a part of enlightened management to secure full and unreserved co-operation of working force, is a natural result of a fair and just policy in establishing employment conditions.<sup>‡</sup>

<sup>†</sup> *A Righteous Struggle*, cited before, pp. 46-47.

<sup>‡</sup> National Industrial Conference Board, Inc: *Industrial Relations: Administration and Programmes*, p. v.

If a struggle is found inevitable at all under certain circumstances, it should be fought on the basis of true justice. True justice can be decided by reference to a third party i.e. arbitration. On the basis of true justice alone, the struggle becomes beneficial to both the sides. Even if the employers do not elect to respect justice, the workers must respect it. Gandhiji said:

In a struggle for Truth both sides need not be followers of Truth. Even if one side keeps to the Truth, the struggle for Truth is bound to succeed. We should, therefore, understand that if we fight non-violently and do not lose courage, we are bound to succeed in the end....We shall not only succeed but good relations between workers and employers will increase.\*

Thus insistence on social justice and the adoption of human approach are the first two lessons of the struggle.

### Arbitration

In a non-violent fight of this nature, there is a patent technique where arbitration may not follow but must precede a strike. "I know," Gandhiji said in later years, "that strike is an inherent right of the working-men for the purpose of securing justice; but it must be considered a crime immediately capitalists accept the principle of arbitration."†

Even if a party chooses to fight in defiance of the award of an arbitration, the acceptance of an arbitration itself makes the fight peaceful, almost harmless and capable of being resolved easily.‡ While referring to this strike on its termination, Gandhiji had declared, "This struggle has been conducted without any hostility. I have never come across such a fight. I have known many such conflicts directly or indirectly, but I have not seen a single struggle where there was so little animosity or bitterness exhibited as in this fight."§ The acceptance of arbitration is the third lesson of the struggle.

\* *A Righteous Struggle*, cited before, pp. 49-50.

† *Young India*, 28-4-'20.

‡ Cf. "The principle of arbitration is essential to Gandhiji's philosophy. It eliminates violence and compulsion which may be present even in peaceful struggle. It teaches people tolerance and conciliation. Gandhiji fasted in Ahmedabad Labour Strike not for anybody or against anybody, but for a creative idea."—Fischer, Louis, *The Life of Mahatma Gandhi*, p. 176.

§ *A Righteous Struggle* cited before, p. 36.

## Constructive Programme

The successful use of the method of strike and arbitration requires well-organized labour unions. Efficient organization alone makes workers conscious of their strength. But if the organization is meant, as it must, to consolidate them on solid basis, it must be based on non-violence. "The labourers do not know their own strength," Gandhiji deplored, "otherwise what is there to prevent them from pooling their own resources and dictate terms as the employers do now? That realization can come only through acceptance of non-violence."\* The acceptance of non-violence, however, means the prosecution of the constructive programme. "The eighteenfold constructive programme," he said at one place, "with the spinning wheel as the centre is the concrete expression of that spirit (of non-violence or Satyagraha) in organized society."†

These four lessons, namely, the family law or the personal approach, pure justice, arbitration and constructive work are the four pillars over which the magnificent mansion of peaceful industrial relations can safely rest. These four principles have shaped the Ahmedabad Textile Labour Association, and have made it "a model for all-India to copy".‡

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\* *Harijan*, 25-2-'38.

† *Harijan*, 21-4-'43.

‡ Gandhi, M. K., *Constructive Programme*, p. 23.

## CHAPTER XIX

### CONFLICTS AND ADJUSTMENTS—I

[PERIOD OF FRICTION: 1917-1928]

It was the material misery and the political despair engendered by the reigning system, which brought willing listeners to the feet of the teachers who framed beneficent governments on the simple principles of reason and the natural law.¶

—John Morley

#### Introduction

In the preceding three chapters, we have studied the industrial development of Ahmedabad in its general outline and the formal initiation of the Ahmedabad Textile Labour Association in 1920 by Mahatma Gandhi as a natural, though indirect, result of the wage-strike of Ahmedabad labour, led by him in 1918. Gandhiji, not only guided the labour strike successfully but gave them an elaborate philosophy of labour work based on truth and non-violence, to be followed by the Labour Association in future. The labour work of his conception is not only militant and combative. It is also philanthropic and social. It is a happy blending of the two kinds—one supplementing the other. The full history of the Ahmedabad Labour Union is beyond the scope of this thesis. But we propose to give in this and the following chapters such milestones of its career as would indicate why and when conflicts have arisen between the Labour Association and the Ahmedabad Mill-owners' Association, and how both of them have resolved the differences. This factor, of all others, namely, peaceful solution of industrial conflicts is mainly instrumental in shaping the industrial relations in that city. It would be admitted that this phase alone of its history is germane to the theme of this thesis.

#### Appointment of a Permanent Arbitration Board

During the wage-strike of 1918, Gandhiji, while congratulating both the parties upon the happy termination of the struggle had stated in the seventeenth leaflet as follows:

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¶ *On Compromise*, p. 260.



If a serious dispute arises between parties, it should be settled not by resort to a strike but by arbitration. It is not one of the terms of the settlement that in future the parties settle their differences by arbitration; but since the settlement has come about through arbitration, it is presumed that on a similar occasion in future also, an arbitration will be appointed.\*

In response to this suggestion, Sheth Ambalal Sarabhai, the then President of the Ahmedabad Mill-owners' Association called on the 18th December 1918, a joint meeting of the Managing Committee of the Association and accredited representatives of the Labour Association with a view to explore the possibility of establishing a permanent machinery for the settlement of disputes. On the 12th January 1920, a tentative scheme was drawn up which provided for a Board of Referees with seven members from each side who were to elect a chairman from among themselves and decide all disputes. This was referred to a sub-committee. But in the meanwhile, Sheth Ambalal was replaced by Sheth Mangaldas Girdhardas as President of the Ahmedabad Mill-owners' Association. On the 14th April 1920, the Association passed the following resolution:

If any dispute or difference of opinion arises between the mill-owners and workpeople, and if they are not able to settle it among themselves, such dispute shall be settled by Mahatma Gandhi and Sheth Mangaldas. For doing so, they are invested with such powers as are ordinarily given to arbitrators on such occasions.†

In case of difference of opinion between arbitrators, the matter was to be referred to an Umpire whose award would be final.

### Comprehensive Duties of the Arbitration Board

It is necessary to clarify here that the word 'arbitration' has been used here more comprehensively than is generally done. The dictionary meaning of the word is, "hearing and decision of a dispute by a person or persons chosen by the disputants jointly". The arbitrator or the Arbitration Board which functioned in Ahmedabad has given its awards, opinions, or directions in many questions also which were not actual disputes as such between the two parties. For instance, the question regarding wages, bonus, leave etc. were referred to the Arbitration Board and their decisions in these matters are rightly called

\* *A Righteous Struggle*, cited before, p. 67.

† *Trade Unionism and Labour Disputes in India*, cited before, p. 26.

awards. But the questions regarding drinking water arrangement, dining shades, cheap grain shops, excessive sizing, bad cotton and yarn etc., might not be regarded by some as strictly points of disputes and so the directions issued by the Arbitration Board to the mills concerned for providing necessary conveniences to labour are not awards. This view is not right. Disputes are the direct results of labour discontent. Absence of proper working conditions, housing or materials of work like machinery, cotton or sizing of yarn etc., prove equally irritant to labour, as insufficient wages or leave. So it is but meet that the Arbitration Board which claims responsibility for the industrial peace, should not wait till the time the disputes are referred to them. Rather, they should anticipate the sores which are likely to create tension and possible disturbance and should forewarn the parties. The awards which are discussed below, are, therefore, sometimes decisions and at other times, suggestions, protests, as also warnings. Besides, Gandhiji's conception of industry is a sort of a family affair where capitalists and labourers are like brothers.† So the arbitrator becomes a well-wisher of a family or a mentor. His awards sometimes look like suggestions or advices offered *ex parte* and *ex gratia* for the wellbeing of the industry. This human approach should be regarded as a necessary part of peaceful industrial relationship. If this fact is borne in mind, it would be realized that sane trade unionism and comparative immunity from serious strikes in Ahmedabad are mainly due to the labours of this permanent Arbitration Board.

### Gandhiji's Position in Ahmedabad

It should, however, be remembered that Gandhiji's personality was a great factor in the success of the Arbitration Board. His position in Ahmedabad, as indeed in the whole of India, was unique. In Ahmedabad he had won a great number of friends and admirers even from the mill-owners' group who could not lightly brush aside his opinions. To labour, he was their friend, philosopher and guide. His leadership, therefore, went a great way in securing industrial peace. But a scientific analysis of the working of arbitration which has been presented

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† For details, see Chapter VII.

in the following chapters of this book will show that a continuous and vigilant elimination of the differences of the parties by a skilful and impartial third agency and a general pacifist atmosphere do create a moral tone which keeps both the parties on their guard. Besides Gandhiji, the two other personalities who command consideration of the capitalists and unstinted loyalty of the workers are Shrimati Anasuyabehn Sarabhai and Shree Shankarlal Banker. Both are staunch followers of Gandhiji. Indeed, as we have seen before, the labour work in Ahmedabad is due to the sole initiative of Shrimati Anasuyabehn and Shree Banker is the brain of the movement.

### Seven Awards of the Arbitration Board

Within the short time of sixteen months since the appointment of the Arbitration Board, no less than 23 questions were referred to the Board for the decision. This in itself, was a proof of the popularity of the arbitration machinery. It is not possible, owing to the limited space at our disposal, to review here all the awards in detail. They are, however, summarized below.

Soon after the appointment as an arbitrator, Gandhiji suggested to the mill-owners that the working hours of the mills should be reduced from 12 to 10. He had already referred the matter in his address to the workers of Ahmedabad on the occasion of the second anniversary (4-12-1920) of Peace Day as follows:

The mill-hands seem to be working twelve hours or more. Those who have to work so many hours per day can have no time left for mental or moral betterment. Their condition would be reduced to that of the beast.... I would, therefore, urge the mill-owners to reduce the hours of work to ten and urge the mill-hands to give as much work in ten as they have been doing in twelve.†

The reduction of two hours in the working period of the mills, the mill-owners argued, would involve a serious decrease in production. Gandhiji maintained that those two hours would give the workers more rest which they so badly needed. The refreshed workers, he argued, would put in as much work in ten hours as they did in twelve hours. But decrease or no decrease, it was simply criminal to reduce workers to a position of beasts. So he issued in May 1920 a notice to the mill-owners

† *Young India*, 20-4-20.

demanding the reduction of two hours. After three days' strike, the mill-owners agreed to the demand.

The first award (May, '20) regarding the demands of the Throstle Workers laid down:

(a) From 1st June 1920, the working hours should be ten. (This is extended to all the categories of workers);

(b) The following wage increase should be given:

(i) Frame tenters, 40 per cent.

(ii) Weavers, Warpers and Drawers, 33 per cent.

(iii) Winders, 40 per cent.

(iv) Time workers:

Blow Room, Card Room, etc. 25 per cent.\*

Besides these decisions, the Board laid down definite rules regarding the conditions of work like drinking water, latrines, urinals, dining sheds, etc.

The second award (30-10-'20) suggested that one month's pay as an annual bonus with three Diwali holidays should be given.

An incident which occurred a couple of months after, deserves to be noted here. The workers started demanding bonus occasionally with the threat of a strike. Gandhiji and Anasuyabehn strongly objected to this irresponsible behaviour. The workers, however, were in no mood to listen to this advice and consequently Gandhiji had to advise Anasuyabehn to resign the Presidentship of the Association. This extreme step subdued the workers and they realized the value of patience in Gandhiji's technique of strike.

The third (14-1-'21) and fourth (8-5-'21) awards urged upon the mill-owners to systematize without any loss of time the arrangements regarding drinking water, latrines, urinals, dining sheds, etc. The fourth award in addition complains of excessive sizing and bad cotton and yarn used in many mills. The fifth one (20-6-'21) protests that the mill authorities are dilatory in making suitable arrangements regarding drinking water. It also demands attendance bonus for weekly holiday.

The sixth award (24-7-'21) breaks new ground and recommends that in view of the increasing prices, cheap grain shops should be opened within a month and that the building operations

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\* This and the other following extracts reproduced from awards are quoted from *History of Wage Adjustments in the Ahmedabad Industry*, Vols. III, IV.

of the labour colonies should be commenced forthwith and completed within a year. The award also decided that specified increase in wages should be given to Card, Blow and Frame Workers. The seventh award (1-9-'21) recommends an increase in wages to Ring Piecers and Doffers. In the absence of Mahatma Gandhi who was preoccupied with the Non-co-operation movement, Shrimati Anasuyabehn was one of the arbitrators in the last award.

### Pandit Malaviya's Award

In the following month of October 1921, workers from six mills struck work on the 9th with the demand for a bonus equal to 1½ months' pay. They were reinforced on the following days by more and more workers. On the 19th October, 1,374 weavers of six mills of Raipur group struck work. The strikers continued to gather strength as days went on, till on the 25th October, 47 mills in all were affected of which 31 completely closed on the 25th, while 16 continued partial working. The strikers now numbered 33,373 while the full strength of those mills was 42,050.

The matter was referred to Gandhiji as an arbitrator. He was quite clear and definite in his award. He stated in part:

After giving deep consideration to the question, I have come to the conclusion that the workers' demand is quite appropriate. I believe that whenever the mills earned quite handsome profits, the workers are entitled to get a substantial part of them as bonus. This position was accepted last year... Therefore, even from the point of view of morality, I feel definitely that the workmen's demand is absolutely proper and within bounds. Having taken into consideration the special position of the Ahmedabad labour, I can see that the security of the great local industry is possible only by fully satisfying the workers... After having given thought to every phase of the problem, I have come to the conclusion that the mill-owners should accept the demand *in toto* and should satisfy labour before Diwali i.e. before the coming 25th....

Sheth Mangaldas who was the co-arbitrator could not agree with Gandhiji. Pandit Madan Mohan Malaviya, therefore, was requested by both the parties to act as an umpire. In pursuance of the resolution passed by the Mill-owners' Association, the arbitrators had to refer the dispute to an umpire when they failed to agree on the award. Panditji published his award on the 28th October 1921. Its recommendatory part is summarized below:

(1) That to everyone whose salary was below Rs. 75/- per month, a bonus equal to one month's average salary, plus a sum of Rs. 15/- should be given; the maximum not to exceed Rs. 75/-. In calculating the salary or the wages earned by time-workers or piece-workers, the bonus earned by regular attendance or good work should be included. In the case of half-timers, the bonus should be one month's salary plus Rs. 7-8-0.

(2) That to everyone whose salary was Rs. 75/- or more, a bonus of Rs. 75/- should be given;

(3) That the method of calculating the period of service of each employee should be the same as was adopted at the time of the settlement of the last Bonus Dispute;

(4) That, in calculating the period of service, absence due to child birth, and accidents in the mills should be counted in such period.†

The award was accepted by both the parties and normal working in the mills was resumed on the 29th of October 1921.

This event has some valuable lessons for us. There was actually a strike preceding the intervention of the Arbitration Board and the patience of both the parties was sufficiently exercised. But the availability of the arbitration machinery facilitated mutual understanding and reconciliation. Labour did not become impatient and unruly nor did the mill-owners become obdurate. Rather, they took recourse to a third agency which helped them to an amicable settlement. True, labour did not get all that it wanted, nor the industrialists could withhold all that they liked. But arbitration is nothing if not "give and take". The recognition of a third agency as superior tended to make the parties patient, passive and unaggressive. They were called upon to present their case before an outsider and to regard his decisions as final. This made them conscious of their limitations and of their great responsibility.

After Malaviya Award, there was virtual industrial peace in Ahmedabad for nearly 1½ year. During the period, there were only two awards of the Arbitration Board regarding some general grievances in the management of some mills. One grievance enumerated in the first award, however, deserves a special notice. It was reported that some mills connived at their workmen being beaten at times by their immediate officers. The Board took a serious view of the complaint, and warned the mills concerned to discontinue it forthwith. The second award given in October 1922 related to annual bonus. A difference of

† *Trade Unionism and Labour Disputes in India*, cited before, p. 28.

opinion arose between the two arbitrators regarding the interpretation of clause 1(b) of the award which ran as follows:

A person who is absent for fifteen days or more in any month shall lose his bonus for the whole month; but this rule of 15 days shall not apply to December 1921 (December being the Ahmedabad Congress month).

Shree F. X. De Souza, the District Magistrate of Ahmedabad, was, therefore, requested to act as an umpire and he gave his award on the 2nd July 1923. The reader will notice that this award came in sequence later than the following protracted strike but as it was related to a previous dispute, it has been noted here. The umpire's award on the controversial clause ran as follows:

My decision on the question referred to me is that under clause 1(b) of the award, periods of absence of less than 15 days in any particular month should be condoned in calculating the period for bonus. They should not be totalled up, reduced to months, and counted against the worker.

### Protracted Strike of 1923 and after

It should be noted that before the above award was given, the labour situation in the city worsened over the wage question in the early part of 1923. The tension began when the Ahmedabad Mill-owners' Association passed the following resolution early in March 1923:

That the wages of employees in all the departments in local cotton mills should be reduced by one-fifth from the first *hapta* (a period of 14 to 16 days) beginning from or after the 1st of April 1923, subject to the condition that the members of the office staff, supervising staff, and such skilled employees who have not been granted increases at uniform rates in the past by any resolution of the Association, should be excluded from the above scale of reduction.<sup>1</sup>

Evidently, this created a serious situation for the Labour Association. They tried to negotiate with the mill-owners. It was certain that the fact of trade depression was in favour of the latter. They therefore insisted that their demand of 20 per cent reduction must be accepted by the Labour Association. They simply refused to haggle on the point. The cut, if effected, meant a severe suffering to the workpeople. The mill-owners refused also to approach the Arbitration Board. Under the

<sup>1</sup> *Bombay Labour Gazette*, March 1923, p. 17.

circumstances, the only course left for the Labour Association was a resort to non-violent direct action i.e. strike.

The constitution of the Ahmedabad Textile Labour Association has made the provision of a strike in the following way:

If a dispute in which arbitration is refused, or there is a delay in submitting the matter to arbitration, or an award is not carried out faithfully, the Board of Representatives may, by 2/3rds majority, decide to call out a strike of the workmen of the mill concerned.

If the Board of Representatives comes to the conclusion that the situation calls for a general strike i.e. a strike of the workmen of the majority of the mills in the Union or the Association, the Central Executive Committee shall issue ballot forms to the workpeople concerned. The Board of Representatives shall declare a general strike, only if not less than 2/3rds of the total number of workpeople concerned vote in favour of the general strike.†

Besides the reduction of 20 per cent in wages, the other question that agitated the Ahmedabad Labour Association was the alleged non-payment by many mills of the bonus on the precise terms agreed to by the arbitrators. In the history of these conflicts, we shall notice that the partial non-compliance to the awards of the Arbitration Board and the tardy tactics used in litigation are invariably the two patent devices of the mill-owners which created harassment to the labour. In place of the above 20 per cent reduction in wages, the Labour Association demanded a minimum wage and a sliding scale. This was rejected. This rejection led to a general strike from the 1st of April 1923 up to the 4th June 1923. Prof. Anandshankar Dhruva, and Mr. C. F. Andrews tried to bring about a compromise between the parties, but it was of no avail. The privations of labour during the protracted period could better be imagined than described. A compromise was ultimately arrived at on the following lines:

(1) Wages would be reduced by 15.5/8 per cent instead of 20 per cent.

(2) An assurance was given by the President of the Mill-owners' Association that wages would not be reduced again for at least six months from the date of the compromise.

During the period of the strike, relief operations were organized on a large scale to provide work to the strikers. It was remarkable that during the long period of the strike, there was

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† *The Constitution of the Textile Labour Association, Ahmedabad*, p. 15.



not any disturbance of peace in the city. This naturally was an object of wonder and admiration to all.§

We now pass on to a brief review of the industrial situation of the whole country during this period. This would enable us to evaluate correctly the place of the Ahmedabad Labour Association with its emphasis on peace for the purpose of solving the industrial problems.

During the following five years i.e. from 1924 to 1928, there was an alarming deterioration in the industrial position throughout the country. There was an unprecedented depression in the cotton textile industry and with the consequent efforts of the industrialists to effect wage reductions, there was a plethora of strikes in almost all the industrial centres. In Bombay, in October 1925, there was a complete stoppage of work in all the mills affecting 1,51,986 workers in all. It was only in December of that year that the strike was brought to an end after involving a loss of about 11 million working days.\*

In the following two years, there were 128 and 129 strikes respectively in the whole country while 1928 witnessed a protracted strike in the well-known Tata Works of Jamshedpur which lingered on from April to September of that year. Bombay labour strike began in April involving 1,47,644 workpeople. In view of the alarming situation in the city thus created, His Excellency the Governor of Bombay came down from Mahabaleshwar and started negotiations with the parties concerned. The strike was called off only in October 1928.\*

The concluding award (21-11-1928) of the period given by the Permanent Arbitration Board in Ahmedabad concerns the collection of subscriptions of the members of the Labour Association. The general practice was that the Labour Association used to forward to all the mills the lists of its work-members working in the respective mills. The Association would also let them know the names of its accredited representatives whom it had authorized to realize the membership fees from the local

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§ "The discipline maintained by the unions in Ahmedabad during the 1923 strike won the approbation of employers and the general public, not merely in Ahmedabad but elsewhere a fact that affords an example to unions in India."—*Bombay Labour Gazette*, June 1923, p. 30.

\* *Trade Unionism & Labour Disputes in India*, cited before, p. 40.

members on its behalf. The representatives used to accept the subscriptions on the premises of the mills on pay-days. This was a headache to some managements who discouraged such activities and frequently tried to harass and victimize those workers responsible for them. The Arbitration Board recommended that such collections should be undertaken by the managements themselves and they should arrange to remit the sum to the office of the Labour Association through the nominees of the Labour Association working in the respective mills. The existing practice is that the collections are made by the nominees who pass on due receipts to the subscribers and remit the amount at the office of the Association.

### The Organizational Activities of the Labour Association

Thus far we have briefly seen the conflicts which the Labour Association had to face and the consequent adjustments which it thought desirable to make during the period of 11 years of its career from 1917 to 1928, which was essentially a period of friction. But the most important activity of the Association is its social work. The objective of the Association is the building up of the lives of the Ahmedabad working-men and women both as individuals and responsible citizens of free India.

Gandhiji, in one of his addresses to the Labour Association in its initial stage, had emphasized this point in his characteristic way as follows:

What though your wages were quadruped and you had to work only a quarter of the time you are doing now, if notwithstanding, you did not know the value of true speech, if the Rakshas (monster) in you injured others and gave the reins to your passions! We must have more wages, we must have less work, because we want clean houses, clean bodies, clean minds and a clean soul, and both are essential for this fourfold cleanliness. But if that be not the object to be achieved, it would be a sin to attempt and get better wages and reduce the hours of labour.†

The organizational activities—call them welfare, social or constructive programme activities, are intended to bring about the “fourfold cleanliness” described above. They have given the Labour Association the necessary stamina to stand the conflicts as also the accommodative strength to effect necessary adjustments.

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† *Young India*, 5-5-20.

The Labour Association ever since its establishment has aimed at training workers from the labour rank itself for the work of the Association and at absorbing them in the work after the completion of the training. This is the first organizational speciality of the Association which had made Ahmedabad labour to look upon the organization as their own. This democratization was effected thus: Each occupational group was authorized to have its own council of representatives—Pratinidhi Mandal (Board of Representatives). The Board consists of workmen elected by group members in each mill according to a given ratio of seats to membership. The Joint Board of Representatives consists of all the representatives of the occupational groups. It is vested with full authority and power to decide all questions of policy with regard to the administration of the Association. Thus the workers' representatives form the legislative body for the administration of the Labour Association.

The educational work, sanitary and hygienic activities and the medical relief work were organized during the period under special staff. The redress of complaints in the working conditions of the workers has always been one of the important activities of the Association. The workers record their grievances with the Complaints Department of the Association. Negotiations are started with the mills concerned and with their co-operation and help, the grievances are sought to be redressed.

In 1925, the Board of Representatives resolved that a Labour Savings Department be opened on behalf of the Labour Association and that the members be advised to deposit their savings with the Bank. This was the beginning of an important activity and the workers till the end of March 1951, had deposited an amount of Rs. 7,77,400. In the following year (1926), the Association, in response to various demands for guidance organized workers' unions in Indore on the Ahmedabad model and directed the unions of Bharuch (Gujarat) workers. The Association also demanded that in view of the prosperity of the industry, the 15 per cent cut should be restored which, as Gandhiji had suggested in his annual address to the Association, should be utilized for labour housing. § Emphasizing the

§ This proposal was later on dropped owing to depression set in by the end of the year.

constructive side of the workers' life, Gandhiji had exhorted them in his address to "spend money on things that would improve their moral calibre and physical wellbeing, to depend on their soul force for getting their demands granted and to look upon their union as their Swaraj".\* The President of the Ahmedabad Mill-owners' Association expressed satisfaction in his annual address in 1926 when he said in part:

Our connections with labour throughout the year were harmonious and satisfactory, and we trust that mutual co-operation and goodwill will preserve the peace so necessary for the smooth working of our industry.†

In 1927, Gujarat had torrential rains in July-August which affected 25,000 Ahmedabad workers. 5,800 workers' tenements were destroyed, out of which 2,000 were owned by the workers. The total damage was estimated to be 4 lakhs. The Labour Association with the co-operation of the Mill-owners' Association, the Municipality and the Government successfully organized the relief work‡ within a short time and gave ample proof of what consolidated labour can do in times of need. The International Federation of Textile Workers also in its Report has paid a tribute to the general work of the Labour Association.§

The next year (1928) witnessed "a remarkable revival of trade union spirit in the spinning section of the textile labour. Labour exchange, labour volunteer corps, physical culture centres, travelling libraries, all these schemes made a satisfactory headway during the current year".§

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\* *Bombay Labour Gazette*, November 1926, pp. 237-38.

† *Ibid.*, p. 237.

‡ "The work done by the Labour Union," so describes the *Bombay Labour Gazette*, "at the time of distress deserves praise. It helps workmen without distinction of caste or creed, Hindus (including Depressed Classes) and Muslims receive help at its hands without the least partiality. The members as well as the non-members are being helped."—September, 1927, pp. 23-24.

§ "The most interesting and certainly the strongest textile union was that of Ahmedabad. We think that it could safely be said that no union in India could ever approach the Ahmedabad Union so far as its knowledge of the economic situation is concerned."

§ The Textile Labour Association, Ahmedabad, *Annual Report*, 1928, p. 309.

## CHAPTER XX

### CONFLICTS AND ADJUSTMENTS—II

[PERIOD OF ASSERTION: 1929-1935]

Unless all the discoveries that you make have the welfare of the poor as the end in view, all your workshops will be really no better than Satan's workshops.\*

—Mahatma Gandhi

#### Arbitration Board's Award on Restoration of Cut

We now enter the second and an eventful period of the career of the Ahmedabad Labour Association. During this period, both the Mill-owners' and Labour Associations came to grips on the wage question and made earnest efforts to solve it. The problem was discussed thoroughly during the period first by the arbitrators and then by eminent jurists. Secondly, two great national Satyagraha movements were launched during the period under the leadership of Mahatma Gandhi. Many workers took active part in the movements, picketed shops of foreign cloth and liquor, and went to jails. The Satyagraha movement revolutionized their outlook on life. They learnt to visualize what a life of freedom can possibly be, in contrast to a life of partial slavery to which they were subjected. Gandhiji's appeal to the finer instincts of men and women was responded to with enthusiasm by the workers along with the whole nation. This revealed what a fund of pent-up feeling, patriotism and readiness to sacrifice, there lay beneath the seeming torpor and despair. Thanks to the policy of the Ahmedabad Labour Association to associate workers with all the progressive movements of the country, they whole-heartedly participated in all the national movements and gained in enlightenment, confidence, prestige and power.

The participation of Ahmedabad labour in the non-violent Satyagraha of 1930 should be viewed in contrast to the violent riots made by them in the memorable week of April 1919. During that week, the atmosphere of the whole country was tense owing to the arrest of Mahatma Gandhi on the 8th April,

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\* *Young India*, 21-7-'27.

1919. There was a rumour about the arrest of Shrimati Anasuya-behn and the Ahmedabad workers went wild, struck work, and committed acts of violence. A sergeant was done to death. The riots extended even to Viramgam and Nadiad. Ahmedabad was under martial law when Gandhiji came on the scene to pacify the people. He addressed a mass meeting, declared a penitential fast for three days for himself and appealed to the people to fast for a day. It had a salutary effect and peace was soon restored in the city. The lesson seems to have been well learnt by the workers. For, since that time they have not indulged in any riot whatsoever in Ahmedabad.

In August 1929, the Ahmedabad Labour Association applied to the Mill-owners' Association to restore the wage-cut of 1923, because the mills were making high profits as compared to 1923. The Permanent Arbitration Board in their award of the 14th August 1929 opined with regard to the application that the Labour Association was not able to prove that the profits earned by the mills were high enough as was claimed. The demand was, therefore, rejected on this count.

But the Labour Association made a fresh demand for the restoration of the wage-cut of 1923, because the workers were not getting a living wage. This was an important point and even though Mahatma Gandhi agreed with his co-arbitrator with regard to the first suggestion, he disagreed with him regarding the second one. In this manner, the arbitrators could not agree on the question of living wage and they presented differing awards. We shall examine now the award of Mahatma Gandhi which has raised some important issues.

### **Mahatma Gandhi's Award**

In a comprehensive award given on the 7th September 1929, he had exhaustively analysed the arguments of both the parties. With his rare genius to spot out the root of the problem, he had pointed out that the determination of the living wage was the first requirement in a discussion of wages. He stated in part:

In my opinion, the principal point that requires scrutiny is only one: Is the wage which the workers draw today, a living wage? If it is not sufficient for maintenance, then, so long as the condition of the mills does not so much deteriorate as would oblige them to fall back upon their capital for continuing the industry, no decrease can be effected

in the wages of the workers serving with inadequate remuneration. From the evidence submitted to the arbitrators, I have come to the decision that a great part of the workers does not get a living wage at all.

While examining the two reports, namely, (1) "Report on an Inquiry into the Wages and Hours of Labour in Cotton Mill Industry, 1923".<sup>†</sup> and (2) "Report on an Inquiry into the Working Class Family Budgets of Ahmedabad, 1928".<sup>‡</sup> he stated in part:

The clear average monthly wages of all the workers of Ahmedabad are Rs. 29-7-0 and without a single day's absence, the possible average monthly wages are Rs. 33-7-6. (Vide the First Report, pp. 11-12).... The expenditure figures submitted by the Labour Association prove that the monthly expenses of a family are Rs. 49-12-6 (Vide the First Report, Appendix A). This figure relates to a Hindu family. A Muslim family's expenditure is more. Therefore, on the average, the workers have to suffer only loss.... In the second report, the expenditure figure which is accepted is Rs. 39-5-8 (vide page 37).

While explaining the difference between the two figures of expenditure—one, submitted by the Labour Association and the other, accepted in the second report, Gandhiji said:

The reason for this difference as has been proved from the report, is that it (the accepted figure) does not include item 22 (interest) and item 23 (social expenditure), and the expenditure figure of item 8 (milk) and item 11 (fuel) are understated. My decision is that this expenditure is necessary and proper. The interest figure is (partly) unavoidable and avoidable. Owing to the insufficiency of wages, grocers supply (necessaries) on credit and that interest is unavoidable. Expenses on liquor etc. are defrayed from loans. Interest on these loans are avoidable. For this reason, whatever is paid as interest is not calculated, but only what is permissible as interest has been taken into account.

According to him, the expenses calculated by the Labour Association, as having been generally incurred on social functions, play a vital part in the life of the workers. Social functions alone provide them occasions for mixing with relatives and friends and for satisfying their religious urges and for mental relaxation and gaiety. He, therefore, added:

Social expenditure is also unavoidable. Whether they are workers or others, they would not themselves take even what is necessary for their maintenance; but they would observe the family or the caste

<sup>†</sup> Published by the Government of Bombay, 1926.

<sup>‡</sup> Published by the Government of Bombay, 1928.

formalities. So even after hearing what has been said on behalf of the mill-owners, I do not see any reason to effect any reduction in the expenditure figure put down by the Labour Association.

Dismissing as "feeble" the evidence submitted by the mill-owners to prove that they are sustaining loss in the industry. Gandhiji continued:

It is likely that some mills are running in loss; but a very great part does not incur loss. I would not take into consideration, against the wages of the workers, such pleas, as that the share-holders would get less interest, or that the depreciation amount could not be taken before the payment of interest or that nothing could be paid by the reserves.

Explaining the present award in the context of the former one, he said:

It is necessary for me to mention one thing here. The Labour Association has submitted two reasons in justification of their demand. I have already discussed above the first one, namely, that the mills were making high profits as compared to 1923. The Labour Association has not been able to prove this point. The arbitrators have, therefore, given their award rejecting the said Association's demand on that count.

My decision on the second count of living wage is that the Labour Association has proved the second point.

Gandhiji's co-arbitrator Sheth Mangaldas Girdhardas could not agree with the proposition of the restoration of 15.5/8 per cent cut to the wages of the workers. The question, therefore, was referred to an umpire, the late Dewan Bahadur Krishnalal Mohanlal Jhaveri, the retired Chief Judge, Bombay Small Causes Court.

### Umpire Krishnalal Jhaveri's Award

Shree Jhaveri perused the correspondence which passed between the two parties and discussed with them in a joint meeting on the 29th October 1929 their respective contentions. He went to see the working of some mills and the life of the workers, both in privately rented tenements, and in those provided by the mills. He discussed the whole question with Gandhiji and Sheth Mangaldas Girdhardas. He gave his award on 3rd December 1929, granting an increase in wages of 8 per cent to spinners and 5 per cent to weavers with effect from 1st January 1930.



The award had exhaustively treated the two propositions viz., whether the mills had earned sufficient profits between 1923 and 1929 and whether the Ahmedabad workers were paid the living wage. This was the first time in the history of Ahmedabad Labour Association when a jurist of eminence from outside Ahmedabad had exhaustively studied the city's textile industry and its related question of living wage to workers. We shall, therefore, review it a little in detail.

The umpire found that the industrial position of Ahmedabad had sufficiently improved since 1923 to warrant a discussion of a living wage to workers. He said in part:

The arbitrators had found that the Ahmedabad textile industry had not enjoyed extraordinary prosperity, though the majority of the mills had earned good profits. This meant only that the entire cut could not be restored under the circumstances. This of course, does not debar the Labour Association from obtaining a fair and equitable relief, if the state of the industry shows improvement, though it may not be unusual or extraordinary. If it be found that the position of the mills has improved since the cut was made, the Labour Association would be at liberty and that too with a show of justice, in asking for an improvement in the position of its members to a proportionate or even to some extent. Broadly speaking, I do find that there has been an improvement in the State of the industry since 1923, and, therefore, the question should be considered on that basis.

According to him, the state of industry warranted a "small increase" in the wages. He proceeded:

The Arbitration Board has not considered the question whether the state of the trade does not permit "even a small increase", if it is shown that the present wage does not enable the workers concerned, to maintain a suitable standard of living.

Taking all these factors into consideration, I am unable to hold that the state of the industry would not warrant a 'small increase' in the wages of the workers.

The Dewan Bahadur endorsed the principle of living wage and posed a question whether the workers should starve and work, if the industry could not bear payment of a living wage to them. He added:

It has been argued, that the worker should be paid a living wage has never been accepted or acted upon in India, and that the only standard is the capacity of the industry to pay a certain amount and to see whether the trade can bear it. That is, if the trade cannot bear it, the workmen must starve and serve the trade, but the trade should not be closed. This is hardly the right attitude.

Shree Jhaveri investigated into the economic condition of the workers and concluded that they were not getting the living wage. This is how he argued:

I am inclined to take the family income at about Rs. 40/-. The Mill-owners' Association has objected to some of the items of the worker's family budget, such as expenses at the time of Diwali, Holi and other holidays, payments to the Brahmanas, etc. The fact, however, that such expenses have to be incurred cannot be denied. However, both the budgets submitted by the Mill-owners' and Labour Associations, omit provision for expenses at the time of a wedding, a death or a birth in a family, and these, at least the first two, are the most expensive occasions in the life of an Indian, whether a workman, a middle-class man, or a high-class man. If the proper figure is put down for these expenses, then the budget is likely to go beyond Rs. 50/-. I, therefore, find that the worker does not get enough wages to enable him to maintain a suitable standard of living, and that he can ask his employer to pay him wages which would enable him to do so.

The spinners were paid comparatively lower wages than the weavers. The umpire, therefore, decided:

I think, on a consideration of all circumstances, that in the case of the spinners an increase of 8 per cent and in the case of the weavers: an increase of 5 per cent should be given, as from the 1st of January 1930 i.e. out of a cut of 15½ per cent, 5 per cent, (about 1/3) should be restored to spinners and 5 per cent (about 1/3) to weavers.

In the concluding paragraph of the award, the Dewan Bahadur recommended that priority should be given to the consideration of labour wages over the questions of dividends and reserve fund. He concluded:

I know that the continuation of the cut would mean a saving of about 35 lakhs to the mill-owners, and that the increase, I award, should take away rather a large amount from that sum. But as against that, it is to be considered that the amounts for payment of dividends and the sums to be transferred to the reserve fund are discretionary items and can be adjusted or distributed suitably, so that the enhancement may not press heavily on the one or the other of them.

### Mahatma Gandhi on the "Important Award"

Gandhiji, while commenting on the award in an article in the *Young India*,\* had expressed his partial satisfaction that the learned umpire has granted "the contention that labour was entitled to a living wage and that as a matter of fact Ahmedabad

\* 12-12-29.

textile labour was not getting such a wage". His satisfaction was partial because he wondered why the whole of the cut was not restored. Besides, the wage cut of 1923 was effected, not by an award of the Arbitration Board as was necessary, but "by an arbitrary exercise of the mill-owners' power to coerce labour". It was true that the condition of the industry was not as prosperous as it was during the war-period. "It was a period of merely less profits, not of loss and encroachment upon capital."

In the foregoing award the principle of a living wage was granted by the distinguished judicial umpire. This was a decisive victory for labour. Gandhiji, however, had in his comments on the award proceeded further to break new ground on the question of wage-cut.

He propounded the fulfilment of two basic conditions before the question of a wage-cut could be taken into consideration. The conditions are:

(1) When the wages are so good as to leave a margin after paying for living expenses;

(2) when the industry concerned has to face an actual deficit.

He finished off his comments by appealing to the workers to thankfully accept what the Dewan Bahadur had allowed and perseveringly and peacefully work for the balance. He warned that there could be no rest for them or the employers so long as the living wage was not actually reached and better housing and other ordinary comforts were not secured.

This does not, of course, mean that the cut could be effected even under the two basic conditions. Other factors would have to be taken into consideration in the matter. In 1935, Gandhiji seemed to have advanced in his conception of a living wage. "If we find," said he, "that it is not possible for any industry to pay this minimum living wage, we had better close our shop. We should see that in any industry that we handle, the wage covers a reasonable maintenance allowance."<sup>†</sup>

The Ahmedabad Mill-owners' Association, in their annual meeting presided over by Sheth Chamanlal G Parekh on the 19th July 1929, passed a resolution expressing satisfaction that the system of arbitration had kept up industrial peace in

<sup>†</sup> *Young India*, 12-12-29.

<sup>‡</sup> *Harijan*, 31-8-35.

Ahmedabad.§ The Governor of Bombay also, in reply to an address given to him by the Ahmedabad Mill-owners' Association by the end of the year congratulated them on the peaceful relations existing between capital and labour owing to the smooth working of the machinery of arbitration.\*

### A Wage-cut Proposed Again

On the 14th September 1933, the Ahmedabad Mill-owners' Association informed the Ahmedabad Labour Association of their desire to reduce wages by 25 per cent with effect from the 16th October 1933 for the following reasons:

(1) The Ahmedabad mill industry has to compete with other Indian centres in the provision of cloth for the whole of India, and, as others have reduced wages, a similar measure seems called for in Ahmedabad as well.

(2) Great Britain, America, Japan, Germany and other advanced countries have reduced their cost of production by effecting cuts or by increasing efficiency through giving more looms and spindles to a worker. If Ahmedabad lags behind in such schemes, the industry will receive a permanent set-back in spite of protection.

(3) A substantial fall in commodity prices has brought about a decrease in the cost of living of workers.‡

Besides the wage-cut, there were the questions of double-side working rates in the spinning department and the collection of Labour Association subscriptions outside the mills. The matter was referred on the 19th September 1933, to the Conciliation Board consisting of Sheth Chamanlal G. Parekh and Shree Shankarlal Banker. In the event of their failure to come to a decision, the issues came before the Permanent Arbitration Board for decision.

The Ahmedabad Labour Association wanted the Mill-owners' Association to supply comprehensive data regarding wages, profits, reserve funds, stocks, etc. of as many mills as

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§ "Under the constitution and convention established between our Association and local Labour Union, settlement of disputes was not only quick and regular, but was satisfactory to the parties concerned. A few cases had to be referred to the arbitration and it is satisfying to find that the existing system has kept up industrial peace in Ahmedabad when disturbances have taken place in other parts of the country."—*Bombay Labour Gazette*, August, 1929, p. 1160.

\* *Bombay Labour Gazette*, January 1930, p. 337.

‡ *Trade Unionism and Labour Disputes in India*, cited before, p. 120.

possible for a number of years. This information was necessary, the Labour Association contended, because "the issue largely turned on a precise estimate of the position of the industry and as such, it was equally in the interest of the mill-owners to provide the amplest proof of their contentions."<sup>†</sup> Sheth Chamanlal Parekh, the co-Conciliator of Shree Shankarlal Banker, however, very much regretted to find from the list that "private, confidential and irrelevant information was asked with a view to put the mills in an awkward position, and that such information could not be supplied in the interest of the industry as a whole".<sup>§</sup> On this ground, he resigned from the Conciliation Committee.

Mahatma Gandhi who was released in May 1933, felt sorry for the resignation of Sheth Chamanlal and decided that the balance-sheets of 21 mills, mutually agreed upon as representatives of the industry, should be prepared for the first nine months of 1933; that the mill-owners should submit their case for wage reduction in writing; that the Labour Association should then prepare their own case, and the Permanent Board of Arbitration might, in the end, ask for further data, if it is considered necessary.

Gandhiji was extremely preoccupied in the following year (1934) with the Harijan Tour and could not spare much time for other activities. He, however, advised both the parties to settle the matter "on the lines of standardizing wages with a minimum wage dependent upon the cost of living, plus a sliding scale of wages dependent on the profits of the industry, calculated after allotting an agreed percentage for dividends, agents' commission and for the depreciation of the buildings and machinery."<sup>\*</sup> The arbitrators held a number of meetings but could not come to an agreed understanding. But as the subject needed a thorough investigation, and Gandhiji being unable to spare the necessary time in the near future, Shree Subedar, the well-known economist and businessman of Bombay, was appointed

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<sup>†</sup> *History of Wage Adjustments in the Ahmedabad Industry*, Vol. III, p. 11.

<sup>§</sup> *Ibid.*, p. 16.

<sup>\*</sup> *Trade Unionism and Labour Disputes in India*, cited before, p. 140.

on the Arbitration Board to act for him, till he would again be able to resume the work.

The reconstituted Board met 15 times from August to October 1934. "Sifting inquiry was made into every aspect of the question and the statistical and the other data which eventually emerged from the examination of the parties proved very helpful to a proper understanding of the various issues involved, in the consideration of the local industry."<sup>†</sup> There were prolonged negotiations but the arbitrators could not come to an agreement. They, therefore, decided to write out their separate awards and refer them to an umpire.

In the meanwhile, the Mill-owners' Association "created a diversion" by adopting the following resolution:

On the coming into effect of the new Factories Act from the 1st January 1935, all time-workers be paid wages on the present scale in proportion to the working hours.<sup>‡</sup>

This innovation was introduced without consulting the Labour Association, and was, therefore, unconstitutional. The negotiations proved to be of no avail and the workers prepared themselves for a strike. But fortunately better sense prevailed and both the parties proceeded to Delhi where Mahatma Gandhi was staying early in 1935. The outcome was the Delhi Settlement of the 13th January 1935. The terms of settlement were referred to Shree Patkar, an ex-Judge of the Bombay High Court who was requested by the arbitrators, Sheth Chamanlal Parekh and Shree Manu Subedar to accept the position of an umpire and decide the matter. The settlement was confirmed by him as his award on 17-1-1935.

### Justice Patkar's Award

We give below in a summarized form the important features of the award. Its first three clauses concerned the wages. The monthly minimum wage of an average weaver was decided upon and the parties were suggested to evolve a scheme for automatic adjustment of wages in future. The clauses were:

<sup>†</sup> *Annual Report of the Textile Labour Association, Ahmedabad, 1934*, p. 19.

<sup>‡</sup> In the new Act, the hours of work, were reduced from 60 to 54 per week.—*Ibid.*, pp. 19-20.

(1) The increase in wages granted in 1930 be withdrawn and the withdrawal should take the form of a uniform cut of  $6\frac{1}{4}$  per cent, subject to the condition that the reduction will be so applied as not to bring down the earnings of weavers below Rs. 41-4-0 for 26 working days on a ten-hour basis.

(2) Earnest efforts should be made to standardize wages after the 1st January 1936 without involving any cut or increase.

(3) Parties will try to evolve a scheme for automatic adjustment of wages in future.

During the period under review, rationalization was resorted to in many mills on an extensive scale, and the consequent unemployment created a formidable problem for the Labour Association. But thanks to the united efforts of both the Associations as a consequence of the present award, the crisis was surmounted with the least disturbance. The clauses regarding the rationalization were as follows:

(4) Mills which do not adopt rationalization under this agreement may run for 10 hours a day entailing one hour's double work. The double work for an hour would be paid at the rate of 45 per cent.

(5) Rationalization be carried out under certain restrictions relative to unemployment and its effect on the health of workers.

(6) Unemployment incidental to rationalization will be confined to:

(a) Married women whose husbands are benefited by the rationalization.

(b) Persons whose connection with the industry is of less than a year's duration.

(7) Double work in the spinning department be paid at the rate of an extra 45 per cent and 47½ per cent in fine and coarse counts. In the case of Ring Frame spinning, the word "double" means two sides.

(8) The mills may proceed with rationalization from and after the 1st April 1935, provided that it may be started forthwith (i.e. from now) in the following cases:

(a) In counts above 27's warp and 31's weft;

(b) In counts above 18's in mills which start night-work or where new machinery is started after the 31st December 1934.

(9) A scheme will be devised for registering before the 30th June 1935 employees on certain lines, whose claim to re-employment is not debarrd under clause 6.

(10) A Joint Committee of the Mill-owners' Association and the Labour Association will be appointed to regulate the working under the rationalization scheme. Any dispute arising in this connection which the Joint Committee has not been able to settle satisfactorily, shall be settled finally by arbitration. §

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§ Summarized from *The History of Wage Adjustments in the Ahmedabad Industry*, Vol. III, pp. 579-81.

Since 1923 onwards a permanent grievance of the workers was that the mill-owners were going forward with rationalization without settling with the Labour Association the terms on which it could be worked out. It was suggested to the Mill-owners' Association that if the processes of rationalization were fixed in consultation with the Labour Association, which had no objection to it as a principle, the consequent unemployment and its attendant hardships could at least be minimized. With that end in view, the question had been referred to the Arbitration Board in 1931, but it could not be solved then. Happily, however, through the good offices of Mahatma Gandhi, the Patkar Award embraced almost all the pending disputes including those relating to the reduction of hours and of wages as also the question of rationalization in industry.

### **Mahatma Gandhi on the Award**

Gandhiji while explaining in a letter the implications of the award to the Ahmedabad workers said:

I hope you will welcome the settlement which has been reached regarding the dispute on the question of your wages, and will cheerfully accept the reduction which has been agreed to on your behalf ... I have not the least doubt that it will be in your interest to do so, and thereby your prestige will be enhanced.

If the two parties, concerned in the industry, would show enough adaptability and accommodativeness in the varying industrial conditions, industry will prosper to the benefit of both. Gandhiji while explaining this said,

It is a matter of no small consequence that the settlement secures acceptance of the basic principle of the policy of mutual adaptation which has been our aim for years. It remains to devise a scheme to work out its implications as early as possible. There is no need to explain that their successful application depends to a large extent on your sincerity of purpose and on your conduct.

He had always emphasized that the industry is a corporate concern and does not belong either to the one or to the other. It belongs to both. He, therefore, proceeds:

For one who remembers that the interests of both the mill-owner and workers are bound up with the maintenance of the industry, there should not be the slightest difficulty in seeing the merits of the settlement. I have been telling you ever since we came together that the industry is not exclusively for the mill-owners, as mill-owners, or the



workers. The mill-owners have invested their capital. Your capital is your labour. Either will be worthless without the other.

If you have imbibed this truth, you will recognize that the safeguards of the settlement are in the interest of both the parties. You will also see that we have covered considerable ground, and are so much nearer to the realization of the dream we have been cherishing. Hence, my hope is that you will give unanimous approval to the settlement.\*

### The Organizational Activities

Before we close the chapter, we would do well to survey the Labour Association's constructive activities during the period. Social betterment activities were conducted as usual. The year of 1930 witnessed an unusual mass awakening in the whole country and a nation-wide Satyagraha for the attainment of Independence started in April of the same year. It was, therefore, natural that the workers came to realize, under the influence of freedom movement, the new role they are called upon to play in future India. The Labour Association's Constitution was revised and was passed in February of the same year. The ultimate aim of the Association was defined as the "nationalization of the textile industry". The promotion of also the civic and political interests of the workpeople has been included in its objectives. It would be seen that these steps were quite in consonance with the Complete Independence resolution passed by the Indian National Congress at its Lahore Session in December 1929.

It is necessary here to reiterate that the policy of the Labour Association has always been to associate workers with the progressive movements of the country. Labour has always suffered exclusion everywhere under the bar sinister in one way or the other. This social ostracism has reduced our working class to a position of slaves. The message of independence and non-violent democracy freed Indian labour from age-old shackles without creating revolts and rebellions as they did in other countries. It was, therefore, no wonder that the workers rose to the occasion and participated in the movement by organizing picketing of liquor shops, sale of Khadi and recruitment of volunteers for Satyagraha. 165 young workers were

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\* *The Times of India*, Bombay, 18-1-35, p. 11.

sent to take part in the famous Dharasana Salt-pan Raid Satyagraha (Surat District) and 66 were jailed for picketing. Thus the workers gave a good account of themselves in the national movement.

## CHAPTER XXI

### CONFLICTS AND ADJUSTMENTS—III

[PERIOD OF CONSOLIDATION: 1936-1942]

A greater self-reliance must work a revolution in all the offices and relations of men; in their religion; in their education; in their pursuits; their modes of living; their association; in their property; in their speculative views.

—R. W. Emerson

#### **Demands for 20 per cent Wage-cut**

The Delhi Agreement, as the Patkar Award is generally known, partially eased the industrial situation for the time being. But the trade position continued to deteriorate which kept the embers of industrial discontent burning. This was expressed, in defiance of the arbitration machinery, in occasional lock-outs and strikes in many mills of the city. Early in 1936, the Mill-owners' Association made a demand for a 20 per cent general cut in the wages of the workers. This was stoutly resisted by the Labour Association. Soon after, they had arranged on that account a ballot on the issue of a general strike in November 1936. This revealed a practical unanimity in favour of recourse to this measure. The question was then referred to the permanent Arbitration Board. During the year Sheth Chamanlal Girdhardas having resigned from the Arbitration Board, Sheth Kasturbhai Lalbhai was appointed in his place by the Mill-owners' Association by a resolution of the 27th November 1936.

#### **New Manekchowk Mills Case**

Besides the 20 per cent wage-cut question, a complaint against the local New Manekchowk mills had been referred to the Arbitration Board. The facts of the case were as follows:

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† *Essays*, pp. 48-49.

8-8-36: The New Manekehowk Mills put up a notice announcing a cut in weavers' wages.

16-8-36: The said mills agreed to withdraw the notice.

20-8-36: The said mills resigned the membership of the Mill-owners' Association.

3-9-36: Lock-out of the weavers by the said mills and the Labour Association complained to the Mill-owners' Association against victimization etc.

The question was whether the resignation by the mills of their membership of the Mill-owners' Association barred the jurisdiction of the Mill-owners' Association and of the arbitrators. Thus there were two issues before the arbitrators. The one was regarding the 20 per cent wage-cut and the other was regarding the New Manekehowk mills.

### **Mahatma Gandhi's Award on Wage-cut**

Gandhiji began his award by an assertion that after having fully studied and considered the demand for a wage-cut, he had come to the conclusion that the evidence which was submitted had furnished no cause for any cut. In his opinion, the last arbitration award i.e. the Delhi Agreement of 17th January 1935 had thrown on both the parties certain responsibilities of which three were as follows:

(a) Earnest efforts should be made to standardize the wages of piece-workers as soon as possible after the 1st January 1936.

(b) With a view to provide for a prompt settlement of all wage questions on either side in future, the parties will meet and try to evolve a scheme for automatic adjustment of wages.

(c) The mills which are desirous of adopting rationalization will prepare before the 30th June 1935, a register of workers who are working and who are likely to be unemployed in the departments to which such schemes will apply.

Gandhiji felt that from the evidence submitted to the arbitrators, it appeared that in spite of such clear instructions, the Mill-owners' Association (M.O.A.) had not discharged its share of these responsibilities nor had they taken sufficient pains to do so. Although it was difficult to evolve a scheme where the question of increasing or decreasing wages could be automatically regulated, he did not consider it to be impossible. Standardization of wages with sufficient endeavour was certainly a possibility.

The award of 1935 was originally a voluntary agreement between the parties. It was, therefore, doubly the duty of the parties to give effect to it. In his opinion, not until the M.O.A. had made a serious attempt to carry out the terms of that settlement and the impossibility of its being carried out had been proved, was it open for the M.O.A. to ask for a wage-cut.

Secondly, although the necessity of having a sub-arbitrator appointed to adjudicate upon petty disputes arising from time to time had been admitted, the appointment had not been made till then. This was injurious to the harmonious relations between the parties. It seemed improper to Gandhiji that when the workmen's complaints were not disposed of in time or not at all, the question of a wage-cut could be referred to arbitration. He opined, "The M.O.A. had not performed its duty in this matter and has no right to ask for a wage-cut till the duty of appointing a sub-arbitrator is discharged." After a study of the papers submitted by the parties, Gandhiji felt that the period which had elapsed since the last award was given, was too short to warrant a case for a wage-cut. Besides, the M.O.A.'s statement did not substantiate its claim.

In the end, he gave his decision on the demand of the wage-cut thus:

At this stage, I would like to restate the principles that for the good of both the parties, I have presented to them as a result of my close and unbroken contact with the industry for a period of 18 years in the capacity of an arbitrator:

(a) No cut could be made till the mills have ceased to make any profit and are obliged to fall back upon their capital for continuing the industry.

(b) There should be no cut till the wages have reached the level adequate for maintenance.

(c) There should be a common understanding as to what should be included in determining a living wage.

(d) The consideration of the deterioration in individual mill cannot form part of a case for a cut in wages of labour in general.

(e) It is vital to the wellbeing of the industry that workmen should be regarded as equals with the shareholders, and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills.

(f) There should be a register of all the available mill-hand-acceptable to both the parties and the custom of taking labour through any agency other than the Textile Labour Association (T.L.A.) should be stopped.

In this short compass, Gandhiji had given the fundamentals of his conception of labour work on non-violent lines. The last item, namely, employing labour force through the Labour Association alone is very vital to the peaceful working of the industry. If there are more than one labour-supplying agencies, the industrialists can easily play one union against the other and thus can neutralize strikes by recruiting fresh workers from various unions to substitute strikers. Evidently, this affords a weak spot in the labour organization. So Gandhiji had emphasized that the labour supply to the industry should be through one organization only. He finished his award with the warning, "I am convinced that without the acceptance of these principles, the industry, i.e. the owners and the workmen are in danger."

### **Mahatma Gandhi's Award on New Manekchowk Mills' Dispute**

Gandhiji was equally definite in his award on the second dispute. He wrote that the fact of the resignation of the New Manekchowk mills from the M.O.A. did not debar the T.L.A. from bringing the case before the arbitration. If a mill acted so as to escape its action examined by the arbitrators, and therefore resigned with a view to escape punishment, the system of arbitration became meaningless.

The question then arises how the M.O.A. can possibly enforce discipline against a seceder. He suggested that this difficulty could, if necessary, be resolved by reference to arbitration. Therefore, in his opinion:

The mill in question should restore the reduced amount and withdraw the notice. If the defaulting mill does not carry out this decision, the M.O.A. should co-operate with the T.L.A. in adopting all legitimate measures against the defaulter.

### **Sheth Kasturbhai's Award**

The joint-arbitrator, Sheth Kasturbhai Lalbhai, in his award of the 28th December 1936, while dissenting from Gandhiji, said in part:

Circumstanced as we are, the question has to be approached and solved from a practical point of view as to the state of affairs that exists and not from what it ought to be or should be. It is very pertinent to remember that we are dealing with forces in an open and a competitive economic system, and not a closed one, and what is compatible in the latter, is not always so in the former. My opinion, therefore, of the issue of wage-cut is that the M.O.A. is perfectly competent to put forth the

claim for a cut, irrespective of execution, or otherwise of the other terms of the Delhi Agreement. In my view a reduction in wages is essential.

Regarding the matter of the New Manekchowk mills, my opinion is that the contention of the M.O.A. is well-founded and ought to prevail. The M.O.A. can have jurisdiction only in respect of members and can neither proceed to represent, nor to enforce discipline on bodies who are not members.

Thus both the arbitrators differed in their awards. Sir Govindrao Madgavkar, the ex-Judge of the Bombay High Court, was, therefore, requested to act as an umpire in the matter which he agreed to do. He gave his award on the 24th January 1937. This is a comprehensive award on the wage dispute which was the main bone of contention between the two Associations for many years. It is, therefore, given below rather elaborately.

### Sir Govindrao's Award

The arbitrators having failed to arrive at an agreement regarding the New Manekchowk mills and the wage-cut, Sir Madgavkar proceeded thus to give his decision on those two points:

#### THE NEW MANEKCHOWK MILLS

As regards the New Manekchowk mills, the question is whether the resignation by the mills of their membership of the M.O.A. ousts the jurisdiction of the M.O.A. and of the arbitrators. This arbitration between the parties, like the previous arbitrations, rests, not on any definite and permanent legal agreements of arbitration, but on a long-standing practice of 18 years, with particular references, as disputes arose... Had there been such a legal agreement to arbitrate, the party could not, after the dispute arose, withdraw itself from the jurisdiction and compulsion to submit to arbitration by its own one-sided action of resignation. I do not think that the arbitration, because it is founded on a long understanding years old, and not on a written document, alters the equity of the case. Neither a particular mill any more than a particular operative can be allowed to get out of the understanding and agreement to arbitration by one-sided action of its own.

While giving the award he said:

I hold that the New Manekchowk mills should withdraw the notice of a cut and the lock-out of the weavers. This species of conduct shows the somewhat easy character of the membership of the M.O.A. and the consequent weakness of the Association, and of the industry.

#### THE QUESTION OF WAGE-CUT

Sir Govindrao then proceeded to the consideration of the second question which is of the wage-cut:

The case of wage-cut is based on two arguments: The one is that there is a steady and persistent decline in the Ahmedabad mill industry from 1933 to 1935 without any prospect of substantial improvement in the near future. The second is that the wages in Ahmedabad are higher than in other centres of the mill industry in India. This makes it difficult for Ahmedabad mills to compete with other mills without a general wage-cut.

#### SHORT VIEW v. LONG VIEW

According to him, "short view" and not "long view" prevailed in Ahmedabad industry. This is how he argued his point:

The latest figures available to me show that Ahmedabad possesses 83 mills with 20,23,190 spindles and 59,400 looms. The total number of mills belonging to the Association at the date of reference was 52. No figures are put in for 30 mills out of 83. The abstention of these mills shows that the forces which make for individualistic competition among themselves, even at the expense of each other, are still strong in Ahmedabad than the sense of larger and more permanent common interest and the necessity of a single organization to defend them. It is a symptom of what I call the short view and not the long view.

He then proceeds with the analysis of the issue:

In regard to the question of a wage cut, five points arise:

(1) Whether the Delhi Agreement of January 1935 between the parties has been effectively carried out.

(2) If it has not, whether the responsibility lies in the main with the M.O.A.

(3) If the M.O.A. has failed to carry out the Delhi Agreement, whether such failure prevents them from asking for a wage-cut.

(4) If it does not so prevent them, whether on the merits, the M.O.A. have proved that a wage-cut is necessary and advisable in the interest of the industry as a whole.

(5) If a cut is necessary, what should be the amount of the cut and how should it be applied.

#### THE AHMEDABAD INDUSTRY

With the enunciation of these five questions, the arbitrator proceeded to review the past relations and agreements arrived at between the parties in their relation to the present issue. He quoted a paragraph from a Governmental publication<sup>†</sup> which showed the progress of the industry:

<sup>†</sup> *Wages and Unemployment in the Bombay Cotton Textile Industry*, 1934, p. 60.

The years from 1926 to 1933 have been eventful in the history of the industry in this (Ahmedabad) centre, because of the creation of the new mills, changes in the character of production and in taking of new types of machinery. It is of interest to note that the share of Ahmedabad in the total production of the (Bombay) Presidency and the country has increased from 27.5 per cent and 22.96 per cent in 1926 to 38 per cent and 28.83 per cent in yarn and in cloth respectively. In spite of the fact that the world has been in the throes of the deep depression during the last four years, the cotton textile industry in Ahmedabad has expanded and made profits and declared good dividends.

While paying a tribute to the tradition of industrial peace in Ahmedabad and to its distinguished authors, the umpire said:

The book quoted above, goes on to point out that this prosperity of Ahmedabad is largely due to the comparative industrial peace which it enjoys. I have, therefore, accepted the somewhat invidious honour of umpire from a feeling that it is the duty of all of us to help the cause and to uphold the tradition of industrial peace in the interest of the country and its prosperity. Two personalities stand out prominently in the maintenance of industrial peace—Mahatma Gandhi and the late Sheth Mangaldas G. Parekh.

#### DELHI AGREEMENT NOT CARRIED OUT

He agreed with Gandhiji in his contention that the M.O.A. have not formulated a scheme for standardization and automatic adjustment of wages, during the whole year as was expected of them. He proceeded:

The Delhi Agreement of January 1935§ withdraws the increment granted in 1930 by a uniform reduction of 6½ per cent in the earnings of all time- and piece-workers. I am clearly of opinion that both the parties intended that 6½ per cent cut should be temporary and should last for about a year, the permanent arrangement being standardization and automatic adjustment, and where mills so desired, rationalization. It appears that the M.O.A., having in 1935 obtained the cut and having started rationalization, have not, for a whole year so far, put forward a complete scheme for standardization and automatic adjustment, as they were bound to under the agreement.

While issuing the award, Sir Govindrao wrote:

For these reasons on the first three issues formulated above, I am of opinion that:

(1) Paras 2, 3 and 9 of the Delhi Agreement have not been effectively carried out,

§ I.e. Patkar Award, discussed in the previous chapter.



(2) The responsibility for this failure lies in main with the M.O.A..

(3) In view of such failure, it is not open to the M.O.A. to obtain a wage-cut and alter the whole basis of standardization of wages agreed to in the Delhi Agreement.

I trust that the parties and particularly the M.O.A. will immediately hammer out a scheme for standardization and automatic adjustment.

#### HIS SUGGESTIONS FOR THE FUTURE

This finishes up the main part of his award. The arbitrator, however, proceeded to present some of his mature thoughts on the Ahmedabad industry in general.

He initiated the examination of the question whether the condition of the mill-industry of Ahmedabad as a whole, was proved to be such that without the cut in wages of at least 10 per cent, there was a probability of collapse of the industry.

He regretted that the Indian mill-industry, Ahmedabad not excepted, lacked the Government protection, which, "in self-governing countries the governments consider it their first duty to offer, and to advance their own industries". This was, according to him, a permanent menace to the industry, and therefore, the industry needed all the union, internal and external, of the parties concerned, which it could achieve. This was the first point claiming attention.

The second point was that the fact of cycles of slumps was as true in mill-industry as elsewhere. He proceeded:

On the whole, the mill-industry in Ahmedabad is under-capitalized for its number of spindles and looms. The liquid capital is largely furnished by loans and deposits usually for a year or more, for a comparatively higher rate of interest, always exceeding 5 or 6 per cent. This assumed a time of prosperity. But at other times, the effect is exactly the opposite. The Ahmedabad investor, therefore, will have to be educated to the fact of cycles of slumps in the mill-industry as elsewhere, and the impossibility of combining for any length of time a very high return with capital safety.

The third point is most important. He suggested a radical remedy to tide over the slump period. He said:

Under the existing agreements, most of the mill-agents obtain commission, not on net profits, but either on production or on sales. The essential weakness of this system is that a possible conflict remains, particularly when in times of slump between the pecuniary interests of the mill-agent and those of the shareholder. This can be avoided

if arrangement is made for a fixed salary for managing the mill, with office expenses, necessary and actually incurred, together with a reasonable percentage, perhaps graduated, on net profits and dividends above a certain minimum as commission for its financial and other responsibility.

According to him, in times of slump, a wage-cut was not an unavoidable remedy. One more remedy was expansion of the industry and co-operation. He proceeded:

The remedy is not necessarily a cut in wages but an expansion of the mill-industry by opening new mills in fresh centres such as Coimbatore rather than having more mills in existing centres like Bombay and Ahmedabad. There should be search for new markets, whether in India or outside, a retention of old markets, avoidance of excessive internal competition and uniting and organizing both for production and sale and even for chemical and other research. The mill-agent must take the long view in the interest of the permanence, efficiency and progress of the industry and not the short view which looks and deals with his immediate profit.

#### A LIVING WAGE

Sir Govindrao did not agree with Mahatma Gandhi in his approach to the question of a living wage. He wrote:

The T.L.A. assumes that the mill-agent can forgo his commission, the shareholder his dividend and even the machinery its depreciation easier than the workman his wages, and that, therefore, 'the living wage' is the first charge and should be the last cut.

But I feel that in a country of the extent of India, with its differing provinces, physques, diets, standards of life and other living conditions, one 'living wage' for the whole of India is not easy to formulate. If it differs in different centres, then *ceteris paribus*, the centre with the smallest wage will be able to undersell the others and gradually displace them in their markets.

We feel that the argument offered against the possibility of the fixation of a living wage is not convincing. The conflict over the question of wages in industry threatened to be permanent in those days till the standardization of wages came in 1948, even though the question of a living wage was only partially taken into consideration even in the standardization of wages. It is gratifying to note, however, that the Government of India, soon after the attainment of independence, has accepted the living wage as the "guiding factor" in industry.\*

\* Cf. "In planning the future policy of labour, and determining the future wage-structure, it is the minimum requirements of a reasonable standard of living of the worker that has to be the guiding factor rather than the

Regarding the industrial principles enunciated by Gandhiji, the arbitrator said:

While I do homage to the idealistic and humanitarian principles formulated by Mahatma Gandhi, they are, I think, inconsistent with the hard realities of economic production for profit and survival by competition in an open market.

#### THE LONG VIEW

His thoughts on the "long view" and "short view" in industry are as follows:

In the long view for which I have pleaded throughout and in the spirit in which I desire to deal with the question, shareholders, operatives and millagents are all as essential as the machinery and must be at their best and be imbued with the desire for permanence, efficiency and progress. It is a short view which, by reason of the distribution of profits between them, sees any permanent conflict of interests even amongst the first three, but *not* so any more than of these three with the machinery. In a long view, therefore, the system of payment should be such that all the three classes concerned in the production, should benefit by the prosperity and should take their share of the necessary sacrifice in times of adversity of the industry.

He suggested 4 per cent which was the percentage arrived at by the Tariff Board, to be set aside for depreciation and reserve. He proceeded:

The depreciation to insure the safety of all concerned in the buildings, provision for the wear and tear of the machinery and for replacing it from time to time with the best and most efficient types, as also provision during good years for adverse times—all these changes should come first and not last. The exact percentage to be set aside for depreciation and reserve in any particular year, cannot be a dogmatic figure. In that connection, I am better impressed by the figure of 4 per cent arrived at by the Tariff Board and accepted by Sheth Kasturbhai Lalbhai. The substitution of new plants for old ones is a huge expenditure.

In his opinion 6 per cent would be a reasonable return on invested capital to be distributed to the shareholders before the investor would risk his capital in the mill industry. He held that wage-cut should be the last resort in effecting the reduction in expenditure in the following way:

It should, however, be remembered that the contentment and goodwill of the operatives working at the machinery are such large factors in efficiency and cost of production, that the wise agent and shareholder, who can forgo his commission or at least a part of it or his capacity of the industry to pay."—Jagjitwan Ram, Introduction, *Planning for Labour*, p. vii.

dividends without serious dislocation of the industry, will prefer to forgo them and will resort to a cut in wages as the last resource and not vice versa. Even in the most individualistic States such as the United States and England the State considers itself responsible for enforcing the safety and the health and the wellbeing of the operators.

### Wage-cut Is No Remedy

The arbitrator proceeded to examine the arguments of the M.O.A. favouring the cut thus:

As late as 1933 new mills were added even while a small number of old mills closed so that the total number of mills continued to rise. Similarly with night shifts running, the reported reduction in the number of bales is not convincing. It is still not clear that the main cause is either of the small profit of 23 mills or of the actual loss of 22 mills—high wages, or that the cut is an appropriate remedy for the industry as a whole. The fact remains that the number of mills has been steadily rising and many of them work night shifts. I am not satisfied with the argument of the M.O.A. that night shifts, even in a year of slump, are means of reducing overhead charges and ultimate loss.

According to him, the reasons of the loss sustained by several mills in 1935 were:

For the loss sustained by several mills in 1935 many causes, like the short view, old machinery, inefficient management etc. are responsible. It is, therefore, the duty of the M.O.A. and of each mill to probe thoroughly the real causes of their failure, and to make a frank statement of their real position to their shareholders and operatives.

In the opinion of Sir Govindrao, the M.O.A. should themselves set an example of sacrifice. He pleaded:

Besides setting themselves an example of sacrifice of their commission, they may have to write off capital or machinery, as the case may be, and then, at the most, they might invite, for a short specified period and under specified conditions the smallest reduction in wages, necessary to keep the mill working as an alternative to closing the mill down.

He concluded his award in the following manner:

I am of opinion on issue 4 that on the merits, the M.O.A. have not proved that a general wage-cut is necessary and advisable for the mill industry taken as a whole, a conclusion, which agrees with Mahatma Gandhi's and not with Sheth Kasturbhai's.

In the end he finished with an earnest hope

that the tradition of friendly feeling and co-operation, a mutual appreciation of each other's difficulties, a resolute determination to avoid internal war and to prefer arbitration—this tradition and this policy will remain and will be given legal shape and permanence.

## Mahatma Gandhi on the Award

Mahatma Gandhi proceeded by stating that the standardization of wages and a scheme for automatic adjustment were the two essential conditions of the Delhi Agreement. So

the umpire has rejected the argument of the mill-owners that neither standardization nor automatic adjustment is a practical proposition. Standardization of wages is a mechanical and arithmetical proposition. But a scheme of automatic adjustment of wages is a complicated matter which demands for its fruition a spirit of give and take on both sides.

He argued that the mutual accommodativeness which was so necessary for the operation of automatic adjustment of wages was impossible unless labour was taken into confidence by capital. That could happen only, he maintained, if both resorted to maxims propounded by him in his award,<sup>†</sup> and which Sir Govindrao was pleased to dismiss as idealistic. He claimed:

There is nothing idealistic in the suggestion that the wages of the operatives who are at least as much a foundation of the industry as the machinery and buildings, may not be reduced to ensure a minimum of profits. If there can be no cut before profits are on the brink of sinking, it is necessary to know the limit beyond which reduction in wages cannot go. In other words, there must be a decision as to what constitutes a living wage, call it minimum wage or irreducible wage.

How can the conflict between capital and labour be avoided? Gandhiji believed that it was possible only when labour has the same status and dignity as capital. This belief of Gandhiji should not be regarded as quite uncommon and startling. The Communists and Socialists maintain the superiority of labour over capital. Gandhiji had proposed a democratic approach, that is to say, an approach based on equality. Gandhiji quoted in support his experience of Ahmedabad labour in the following manner:

For the past eighteen years, consciously or unconsciously, capital and labour have acted in Ahmedabad on assumption that there is no inherent conflict between the two. It is true that peace between the two has been precarious. But it has been so because the parties have not recognized the full validity of the maxims as the conditions of an abiding peace.<sup>‡</sup>

<sup>†</sup> See p. 277.

<sup>‡</sup> *Harijan*, 13-2-'37.

## Gandhiji's Suggestions

For the maintenance of "abiding peace", Gandhiji had offered two radical suggestions:

- (1) If labourers are co-equal owners, their organization should have the same access to the transactions of the mills as the shareholders.
- (2) There should be an agreed register of available hands and that the mill-owners should not accept or engage any person outside the Labour Union.§

Since the very inception of industrialism, inordinate cupidity of the capitalist class has led to this day to labour oppression and consequent labour discontent. The question is how to minimize, if not to eliminate, the labour oppression and discontent? This requires that the ambition of the capitalist to amass more and still more wealth should be restrained. This can be done only when labour ceases to be a floating population and becomes stable in their work. Thus the very first duty of the labour unions is to find out ways and means to stabilize labour. There are two ways of doing this: The one is, that the workers should be recruited through only one accredited union, and the second is, they should be regarded as co-partners with the industrialists. This means, in other words, that they should have the same access to the transactions of the industry as the shareholders. These two ways alone would help labour bring about automatic adjustment of wages. Thus with stable service and unfluctuating wages, the workers would be released to attend to other ameliorative measures for their own uplift. At present labour is woefully distracted over the unstability of the service and if the service is at all permanent, over the fluctuation in wages. We feel, therefore, that these two innovations suggested by Gandhiji were fundamental for sound labour work on non-violent lines. Sir Govindrao had also emphasized in his award the urgent need of hammering out a scheme for standardization and automatic adjustment of wages.

This has brought us to the early part of 1937. The Indian National Congress resolved on office-acceptance in seven Provinces in July 1937. The assumption of the Governmental power by the popular party released mass energy and both the peasants and labourers began to take more active part in public movements. Shree Gulzarilal Nanda, the Secretary of the Ahmedabad

§ *Harijan*, 13-2-37.

Textile Labour Association, was appointed as the Parliamentary Secretary in the Bombay Government. All these political developments made labour more conscious of its strength.

### Dispute over the Dearness Allowance

The Labour Association presented a demand to the Mill-owners' Association for the payment of dearness allowance to off-set the rise in prices of essentials of livelihood, after September 1939, when the European War was declared. The Joint Board of Representatives of the Textile Labour Association had passed a resolution in this connection on the 8th December 1939. There was no possibility of an agreement by direct negotiations, and the Mill-owners' Association refused to refer this question to the Permanent Arbitration Board. The matter was, therefore, brought before the Official Conciliator. The demands of the Labour Association were quite clear and definite as follows:

Our demand is to bring about such changes as would completely neutralize the effect of rise in the cost of living since August 1939. In pursuance of this demand we desire:

(1) That the mills should supply the commodities in list A\* at pre-war prices. These articles constitute an outlay of 20.5 per cent in the case of average working class family in Ahmedabad.

(2) That there should be cash allowance equivalent to 16 per cent of the total wages earned by each worker to compensate for the increase in the items given in list B† the cost of which has risen by 30 per cent on an average.

### Reference to Compulsory Arbitration

The Official Conciliator having failed to bring about the settlement, the Government appointed a Special Conciliator. But in spite of his earnest efforts, the agreement was not possible and the only course left open to the workers was to decide the issue by a general strike. The Joint Board of Representatives passed a resolution on the 3rd of February 1940 authorizing the Secretary to issue ballot papers to ascertain the opinion of the workers. The votes were recorded on the following 22nd

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\* List A:

Rice, wheat, khichdi, jowari, bajri, gramdal, mugdal, wheat flour, turdal, jaggery, sugar and oil.

† List B:

Tea, sweetmeats, fish, mutton, other meat, milk, curds, butter, ghee, salt, chillies, condiments and spices, fuel and lighting, clothing, footwear, bedding, and household necessities and miscellaneous.—*Annual Report of the Ahmedabad Textile Labour Association, 1940-41, p. 11.*

### CONFLICTS AND ADJUSTMENTS—III

in which 86.6 per cent of the members had participated and all had voted for the strike. Under the Constitution of the Association, votes of 75 per cent of total membership is necessary for the declaration of a general strike. Twenty-sixth of February 1940 was the date fixed for the strike.

But thanks to the long tradition of peace, both the Associations were busy seeking avenues of an honourable settlement. The messages received from Mahatma Gandhi, Sardar Vallabhbhai Patel and the Congress President Dr. Rajendra Prasad, resolutions of the various Mahajans, as also the popular opinion, as was reflected in the Press—all these factors urged upon the parties to make a last minute effort for a peaceful conclusion. The negotiations were carried on throughout the night of the 25th and it was at the dawn of the 26th—the day fixed for the strike—that the signatures on an agreement to refer the dispute to the arbitration of the Industrial Court was arrived at by the Presidents of both the Associations. Thus the crisis was averted.

### The Award of the Industrial Court—1940

This was the first occasion in India when a wage dispute was settled through the Arbitration Court set up under the Bombay Industrial Disputes Act of 1938. The proceedings before the Court started on the 4th of April 1940 and the award was given on the 26th April 1940. The three important provisions of the award were as follows:

- (1) In view of the condition of industry, it was not possible to give a full neutralization of the rise of the cost of living, but it would be proper to give 2/3rds of that rise in cash.
- (2) The relief in kind to be granted to the workers should be in the form of cost-price grain shops, run on non-profit-making basis, to be established by the mills at the convenient centres to enable the workers to obtain cheaper and better foodstuffs.
- (3) As agreed between the parties, the cash relief should be commenced from the 1st of February 1940. The cost-price grain shops should be started as early as possible and not later than the 1st of June 1940.

### Demands for Increase in Dearness Allowance and Wages—1941

In July 1941, the Mill-owners' Association by an agreement with the Textile Labour Association decided to increase the dearness allowance payable under the award of the Industrial Court by 45 per cent. With this additional increase, the workers



of Ahmedabad began to receive dearness allowance to the extent of 96.66 per cent of the total rise in prices. It is noteworthy that even though the legal agreement was delayed due to the communal disturbances in April and May in the city, the parties settled it without any assistance of the Conciliator or a reference to the court. The court was requested to make a supplementary award in terms of the agreement between the parties, and it was published as an award on the 15th September 1941. Later on, it was made binding to even those mills not affiliated to the Ahmedabad Mill-owners' Association, by the Provincial Government, under Section 76(2) of the Act.<sup>†</sup>

As the textile industry had markedly improved during the year (1941), the Labour Association made a demand in the latter part of the year that each worker be paid an additional wage of Rs. 8-12-0 per month to enable him to maintain a suitable standard of living. This demand amounted to a general increase of wages by 25 per cent. After protracted negotiations, the matter was referred to the Government Chief Conciliator. But no settlement seemed possible and the Labour Association was required once again to be got ready for a strike. The Joint Representatives Board decided to issue the ballot papers to ascertain the desire of the workers. But this time, Gandhiji urged upon the Mill-owners' Association and its President, Sheth Chamanlal Parekh, to avert the struggle and to submit the dispute to arbitration. Happily better counsels prevailed which ended in a settlement on the 2nd December 1941. The Industrial Court was approached with a request to give an award in terms of the settlement between the parties and the Court made an award on the 6th December 1941. Under the settlement all the workers were paid one and a half months' wages as bonus for the year 1941.\*

## Organizational Activities

### UNEMPLOYMENT SCHEME

Though the above Act eased the industrial tension to some extent, the unemployment and black-legging which were aggravated by the closing down of a few mills and the suspension

<sup>†</sup> *Annual Report of the Ahmedabad Textile Labour Association, 1941-42, p. 8.*

\* *Ibid.*, p. 9.

### CONFLICTS AND ADJUSTMENTS—III

of night-shift work in several others continued to exercise the wit of the Labour Association. A scheme was, therefore, launched by the Association in November 1936 which included the registration of the unemployed, an offer of alternative employment, and failing that, the provision of relief. A beginning was made with the spinning department. "The idea was that the cost of relief operations in individual strikes should be borne by those who remained at work in the mills unaffected by strikes. Collections were made and relief thrown open to all those who were unemployed in this occupation in the city." But the experiment valuable as it was, had to be discontinued after a month.

### APPOINTMENT OF AN ENQUIRY COMMITTEE AND PROHIBITION CAMPAIGN

With the assumption of the governmental responsibility by the Indian National Congress in the Bombay Presidency in 1937, the Textile Labour Enquiry Committee was appointed by the Bombay Government in October 1937. This was a welcome step on the part of a popular Government to institute a scientific investigation of labour. Shree Gulzarilal Nanda, the Secretary to the Labour Association was made a Parliamentary Secretary in the Congress Government. Prohibition was an important item rally selected Ahmedabad for its dry experiment. On the 20th July 1939, the great experiment was inaugurated. The movement had been declared by Gandhiji as the "greatest moral movement of the century" which had the right to expect the sympathy and support, not only of all the parties in India including the Europeans, but the best minds of the whole world. While reviewing the progress of the movement five months later, he wrote that the few months of Prohibition in Ahmedabad had put "money into the pockets both of the employers and the labourers".<sup>‡</sup> Being encouraged mainly by the success of the Ahmedabad experiment, the Bombay Government had the

<sup>§</sup> Annual Report of the Ahmedabad Textile Labour Association, 1936-37, p. 12.

<sup>†</sup> Harijan, 28-8-37.

<sup>‡</sup> Harijan, 24-12-38.

courage to extend Prohibition to Bombay city in March 1939, and to the whole Presidency some years after.

It is remarkable that during the whole of the year 1938, there was not a single strike in any of the 75 mills of the city.

#### WORK AMONG BACKWARD COMMUNITIES

The working population of Ahmedabad consists among others of some backward communities like Harijans, Patni Vaghri, Thakors, etc. These communities are socially backward and are under the influence of fearful superstitions and harmful usages. The Labour Association had taken an interest in the uplift of these unfortunate people since long and had started some schools in their areas. Slowly but surely they have shown signs of awakening and the annual report of the Labour Association for 1940-41 records that all the above communities have started Sudharak Mandals (Social Reforms Associations) of their own.

#### The Quit-India Movement

Before we conclude the chapter, we should refer to the spontaneous participation of the Ahmedabad workers in the Quit-India Movement of 1942. This event might be regarded as a high watermark in the history of the Labour Association. It was all the more remarkable because the workers struck work and continued the protest for 105 days without receiving any help in cash or kind from any source whatsoever.

A trade union has always to perform a double duty. It is required to organize a resistance by the workers to the continued aggression of the industrialists and to organize simultaneously a series of social activities for the development of the personality of the workers both as individuals and social units. More often than not, the first kind of activities commands the major attention of an average union, leaving little or no time to attend to any constructive activities of the second kind. In the absence of any such social service, it has been found that an average worker becomes a psychological complex, discontented, full of hatred and cynical. Emphasis on the second sort of activities makes him contented, happy and dutiful. The leadership of the Labour Association has ever laid emphasis on the second category, resorting to the first one only in times of

need. This has brought about a healthy conservation and utilization of the labour energy for the development of the worker as a responsible citizen.

## CHAPTER XXII

### CONFLICTS AND ADJUSTMENTS—IV

[PERIOD OF COLLABORATION: 1938-1951]

The Karma (action) was not for profit but for making one's offerings to God that one was asked to do. The Gita supplied a spiritual foundation for a new system of economy to replace the one which was ruled by the profit motive.‡

—C. Rajagopalachariar

#### The War Period

The year (1943) opened with both the Secretaries and three other officials of the Labour Association in jail. The political situation of the country continued to deteriorate and the governmental repression had increased. Gandhiji's three weeks' fast in detention in Aga Khan Palace, as a protest against the "leonine violence" adopted by the British Government to suppress Satyagraha Movement, was commenced on the 10th of February 1943. The whole atmosphere was extremely tense and keyed up. But thanks to the teachings of Ahimsa, there was hardly any outbreak of violence in the whole country. Some of the Ahmedabad workers had participated in the struggle, but a majority of them had resumed normal work after a protest strike of 105 days. Even in the absence of their leaders, the work of the Association went on smoothly.

There were 73 mills working in the city during 1943. With the commencement of war, cloth imports from Japan and United Kingdom were stopped and the Indian mills worked night-shifts to a greater extent than before. The number of night workers increased from 36,807 to 48,732 during the period. With the spurt in the cloth trade and an abnormal increase in prices, the mill-owners naturally desired to avoid labour troubles.

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‡ From the Convocation Address of the Patna University, *Hindustan Standard*, 13-5-'53.

They earned exorbitant profits during the year. But the workers could get, only after long negotiations between the two Associations, a bonus equivalent to two and a half months' wages in January 1943. They continued to receive dearness allowance according to the award of the Industrial Court, and 96.6 per cent of the rise in the cost of living was neutralized by this allowance.

### **Dearness Allowance**

The important application heard during 1943 by the Full Bench of the Industrial Court was a revision application by the Ahmedabad Mill-owners' Association. This was occasioned by the publication of the Draft Rules by the Government of India by the end of the year. They were with regard to the Excess Profit Tax and the employers sought to limit the dearness allowance and bonus payable to workers. If the rules were applied, it would have adversely affected the textile workers who were paid dearness allowance on a uniform basis linked with the cost of living index only. Shree Khandubhai Desai, the Secretary of the Labour Association, was released only a week before the date fixed for the hearing of the case. Soon after his release, he wrote in the course of a statement on the proposed reduction and thus warned the Government:

The Government itself is responsible for the higher cost of living for which the workers get the dearness allowance. As long as the present cost of living index does not fall, the wage-earner is entitled to receive whatever dearness allowance he has obtained by trade union action, and it is improper for the Government to interfere directly or indirectly in reducing the present quantum of dearness allowance.

Shree Desai had been able to secure the services of the late Shree Bhulabhai Desai as a pleader. The latter appeared before the Industrial Court and ably refuted the claim of the mill-owners which was supported even by the Provincial Government. The Court dismissed the petition with cost and held that the claim of the Ahmedabad Mill-owners' Association for any reduction in the scale of dearness allowance could not be substantiated.

### **Success in Municipal Elections**

In October 1942, the British Government had suspended the Ahmedabad Municipality and in January 1944, they decided to hold fresh elections. The people naturally interpreted this

## CONFLICTS AND ADJUSTMENTS—IV

move on the part of the Government as a test of the popular support to the Indian National Congress. 17 candidates were set up by the Labour Association on the Congress ticket, out of the total 52 seats. 7 of these seats were reserved for Harijans. All the seats in the labour area were contested. All the candidates put up by the Association and the Congress were elected with overwhelming majorities. The group of 17 councillors was a part of the Congress Municipal Party which had captured all the general seats.

### Bonus for the year 1949

The Industrial Court has, during 1950-'51, made an award for two months' bonus to be paid by 53 mills which had shown profits for 1949. But the Mill-owners' Association filed an appeal against the award of the Industrial Court to the Labour Appellate Tribunal. The Tribunal confirmed the decision of the Industrial Court except in the case of three mills which had made meagre profits.

### Rehabilitation of the System of Arbitration

The outstanding event of the year 1952 is the rehabilitation of the system of arbitration after a lapse of about fourteen years for settling all disputes arising in the textile industry of the city. The experience of both the employers and the employees was that the settlement of disputes through courts did not create a spirit of goodwill, trust and co-operation among the parties. On the contrary, provision of appeals and other dilatory tactics encouraged by these court procedures result in abnormal delays and expenditures and mutual bitterness. The formation of the Conciliation Board and the Arbitration Board in July 1952 was, therefore, hailed as a very helpful move by both the parties.

By the end of the year signs were visible of recession in the textile industry which set in after a decade of prosperity. The recession was obviously due to the fall in the purchasing power of the people. The right remedy, therefore, would have been to so reduce the prices as to make them within the reach of the consumers. But the mill-owners had their own ways of solving the problem. They began to place notices of closures of shifts. This led to an unprecedented crisis in the industry. Happily, however, the Government of India intervened and

promulgated two ordinances. One of them announced relief in excise duty and the other prescribed compensation to workers who were retrenched. These measures proved effective in reversing the trend of trade and considerably eased the situation.

### **Rationalization**

The Mill-owners' Association and the Labour Association have come to an agreement regarding the doubles and four sides in the Ring Spinning Department. The Association is not opposed to rationalization, but it maintains that such rationalization should always be accompanied by a scientific study of work-load, improvement in the conditions of work, raw materials, machinery and other conditions and can be proceeded with without creating any unemployment among the existing workers. It also insists that savings from rationalization should be shared with the workers to enable them to gradually reach a living wage standard.

The Ahmedabad Textile Industrial Research Association (ATIRA) had been started before 1950 by the Mill-owners' Association with a view to carry on research work regarding the working materials, machinery, work-load etc. in the textile industry. It was formally inaugurated in its new buildings in April 1954. It is doing the work since then in co-operation with the Labour Association.

This question of rationalization came in more prominently during 1953 and it aggravated the unemployment crisis. One of the prominent mill-owners of Ahmedabad chose to instal automatic looms in his mills with the result that a great number of workers were retrenched. Other employers also began to think of replacing existing machinery by highly labour-deploying machines. Shree Khandubhai Desai, the General Secretary of the Textile Labour Association, Ahmedabad and Shree S. R. Vasavda, President of the Indian National Trade Union Congress, thereupon submitted a memorandum to the Planning Commission detailing the views of the Indian National Trade Union Congress on the question of rationalization.

A special Women's Section was started in that year in order to arrange education of the women of the working classes to the urgency of improving their condition and status and of creating

## CONFLICTS AND ADJUSTMENTS—IV

happy homes. About fourteen lady workers were employed for the work. A lady doctor had also been appointed to attend to the needs of the women and children of the labour areas.

## Managing Agency

During the year of 1954 the routine work of the Association went on as usual. But the labour world was animated over the discussions of three topics which were: The abolition of the Managing Agency system in industry, the content of the socialistic pattern of society and the labour policy as was envisaged in the Second Five Year Plan.

The Industrial Truce Resolution of December 1947 had embodied the principle of profit-sharing by labour and the Expert Committee appointed in that connection had also made their recommendations as to the share of workers in profits in relation to industrialists. But the latter had vehemently opposed the recommendations with the result that the proposal of profit-sharing was ultimately abandoned.

The following table would show the huge profits earned by the industrialists during some past years:

India's Industrial Profits (Index Number : 1939=100)									
	All industries	Jute	Cotton	Tea	Sugar	Paper	Iron & steel	Coal	Cement
	1	2	3	4	5	6	7	8	9
1941	187.0	344.4	316.6	146.8	157.8	284.7	133.7	82.6	128.8
1942	221.8	351.1	491.3	228.1	126.7	321.7	110.1	89.5	160.1
1943	245.0	376.3	640.0	142.3	157.8	352.8	111.8	95.6	147.9
1944	238.9	310.6	492.1	110.5	155.5	271.5	117.8	257.0	214.4
1945	233.6	327.6	423.3	150.7	108.9	279.5	120.2	258.1	211.6
1946	229.2	415.4	408.9	198.8	122.4	266.4	101.3	198.5	184.1
1947	191.6	313.2	317.7	216.3	171.5	167.6	86.1	171.8	142.5
1948	259.9	361.2	548.1	127.9	138.4	216.4	257.0	95.3	201.0
1949	181.5	89.3	292.0	138.4	216.4	262.4	316.7	116.0	287.2
1950	246.6	456.3	356.6	103.9	420.8	604.1	479.0	154.2	209.2
1951	310.5	183.4	262.8	88.8	499.8	556.8	162.6	229.4	302.6
1952	191.2								

Source: Ministry of Finance.



But the rejection of the profit-sharing scheme proved a blessing in disguise and prepared the ideological ground for an advance which forthright demanded the abolition of the Managing Agency system. The resolution demanding the abolition was sponsored by Shree Kandubhai Desai in the session of the General Council of the Indian Trade Union Congress at Rajkot in May, 1954. It was welcomed by all the progressive elements in the country and was mainly instrumental in shaping the new provisions relating to the scope, powers and obligations of the Managing Agencies, in the new Amending Companies Act which was passed by the Parliament in 1956.

### CHAPTER XXIII

## THE PRESENT-DAY ACTIVITIES OF THE AHMEDABAD LABOUR ASSOCIATION [1955-1956]

Capital and labour are now engaged in a fratricidal conflict for sole possession in which...the ultimate triumph of labour and the remodelling of all social conceptions and institutions with labour as the first...seem to be the visible writing of fate.\*

—Arvinda Ghosh

### The Administration of the Association

We give below the summary of the report of the activities of the Association during 1955-'56, which would give the reader a consolidated picture of its activities.

### Elections

The Ahmedabad Textile Labour Association is a Federation of different occupational unions working in the local textile industry. The elections of the representatives of these occupational unions are held every two years on the basis of one for the first fifty or less primary members and one more for every additional hundred members. With the growth of consciousness among the workers, elections are keenly contested. Qualifications as well as disqualifications for candidature are

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\* *The Ideal of Human Unity*, p. 228.

PRESENT-DAY ACTIVITIES OF THE LABOUR ASSOCIATION 299

prescribed by Election Rules. Disputes arising out of the elections are dealt with by special Election Committee.

The number of representatives according to various occupations and shifts are as follows:

Group	Occupations	No of Representatives		Total
		Day-Shift	Night-Shift	
A	Frame, Card and Blow	203	182	385
B	Ring Spinning	188	189	377
C	Reeling	37	2	39
D	Winding	116	57	173
E (a)	Weaving	198	174	372
E (b)	Warping, Sizing etc.	170	18	188
F	Bleaching, Dyeing, Calendering and Folding	277	23	300
G	Jobber and Mukadam	160	105	265
H	Clerks	77	9	77
I	Power Plant and Mechanics	101	4	110
J	General	123	—	127
	Honorary Members	24	—	24
	Total	1674	763	2437

### Various Committees

The various Committees formed under the Constitution for carrying on the administration of the Labour Association are as under:

1. Advisory Committee
2. Joint Board of Representatives
3. Occupational Boards of Representatives
4. Joint Executive Committee
5. Occupational Executive Committees
6. Hospital Committee

7. Schools Committee
8. Complaints Committee
9. Change-over Sub-Committee.

### Conditions of Work and Disputes

As has been said above, the redress of complaints of the workers is one of the major activities of the Association. The following is the analysis of the complaints according to their nature:

S. No.	Nature of Complaints	Number
1.	Materials	371
2.	Machinery	192
3.	Atmospheric conditions	202
4.	Rest pauses	56
5.	Excessive work due to breakages	722
6.	Excessive work due to other causes	1163
7.	Pertaining to rationalization including relay	305
8.	Illegitimate assignment of work	8
9.	Accident risk	48
10.	Others	508
Total		3575

The workers record their complaints with the Complaints Department of the Association. The staff of the department investigates into the complaints and after ascertaining the facts makes all attempts to settle them by personal discussions, negotiations and correspondence. The machinery set up under the Bombay Industrial Relations Act is resorted to only when there is no just and fair settlement by negotiations.

It would be interesting to note that with the help of the Ahmedabad Labour Association the following amounts were

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realized by the workers as compensations for accidents for the last 17 years:

S. No.	Year	No. of Accidents	Amount Realized Rupees
1	1938-39	154	15,635-6-3
2	1939-40	153	21,550-0-0
3	1940-41	134	8,935-7-9
4	1941-42	222	21,121-9-3
5	1942-43-44	380	53,842-3-10
6	1944-45	178	72,575-3-0
7	1945-46	185	48,768-0-9
8	1946-47	224	52,424-9-9
9	1947-48	315	58,439-5-0
10	1948-49	471	82,561-5-0
11	1949-50	500	1,11,788-8-3
12	1950-51	578	95,554-15-2
13	1951-52	433	1,43,857-11-9
14	1952-53	394	1,47,185-7-6
15	1953-54	496	1,70,575-13-0
16	1954-55	596	1,91,450-5-11
17	1955-56	700	1,94,936-15-9

### Bonus Disputes of 1953 and 1954

Soon after the Agreement of Bonus in June 1955, calculations for bonus payable for the year 1953 were taken up and bonus was distributed in the month of October 1955. In accordance with the Agreement, 51 mills paid a minimum bonus of 15 days' basic wages, 6 mills paid the maximum bonus of three months' basic wages and 4 mills paid higher than 15 days' but lower than three months' basic wages. Several disputes were raised by a number of mills in determining the quantum of bonus. These related to what really constitutes Reserves employed as Working Capital to calculate the return at 2 per cent. Another dispute related to whether certain items should be treated as expenses or not, in computing profits. A further point was raised

by 22 mills seeking permission to deduct 12 days' wages from the profits on the ground that the bonus award made by Shree Divetia for the year 1952 authorized them to do so. As provided for in the Agreement these cases were referred to Shree F. Jeejeebhoy who came down to Ahmedabad specially for this purpose and decided all the references after hearing the parties.

Bonus for the year 1954 was also due and it was distributed by the end of the year 1955. For this year, 52 mills paid a minimum bonus of 15 days' basic wages, 6 mills paid maximum bonus of 3 months' basic wages, and remaining mills (3) paid bonus of more than 15 days' basic wages but less than three months' basic wages.

### **Social Betterment**

#### **CULTURAL AND SOCIAL CENTRES**

With a view to facilitate organizational work, the labour area of the city has been divided into 20 wards and every ward is placed in charge of a social worker of the Association. With the co-operation of the workers, he carried on various constructive activities in the locality. Some of these activities are:

1. Sanitation;
2. Adult Education, primary schools;
3. Libraries;
4. Gymnasiums and games;
5. Healthy entertainment programmes and celebration of festive occasions;
6. Starting co-operative stores, housing, etc.;
7. Eradication of unclean habits like drinking and gambling;
8. Propagation of Ambar Charkha and other village industries.

There are 25 such cultural centres. Besides, there are 4 social centres which provide a meeting place for active trade union workers.

## PRESENT-DAY ACTIVITIES OF THE LABOUR ASSOCIATION 303

### EDUCATION

Shrimati Anasuyabehn, as has been said above, has been working in the field of social education of the working classes of Ahmedabad since 1914. It was after six years of her educational activities that the Textile Labour Association was started under her Presidentship. She is taking particular interest in the social and moral education of young working class girls, and is laying the foundation of happy working class homes by developing the capacity and building up the character of future working class women. Under her care the Association is at present conducting 3 schools with 412 students, out of whom 276 are boys and 136 girls.

The Association maintains 58 libraries and reading rooms in different parts of the city. The membership of the libraries is nearly 32 thousand and the persons attending reading rooms are six lakhs. Books worth Rs. 5,000 - are purchased during the year.

Eight gymnasiums with 3744 members and one labour volunteer corps with 200 members are maintained by the Association.

### STUDY-HOMES

The two study-homes conducted by the Association provide a quiet corner for study to the inmates. A superintendent looks after the needs of these students who are 63. They are provided with clothes, bedding, books etc., by the Association. The students attend to their schools and spend the rest of their time in study-homes. The majority of these students belong to the backward Vaghari community who reside in surrounding areas. They are all the children of industrial workers.

### KANYAGRAHA OR GIRLS' HOSTEL

The Kanyagraha was started in 1927. The main object of this institution has been to provide facilities for study and character-building to young working class girls. The Kanyagraha is under the direct supervision and control of Shrimati Anasuyabehn. The number of inmates is 38. They belong to different backward communities, namely, Harijans, Vagharies, etc. A

full-time lady superintendent looks after the education and cultural development of the inmates. Arrangements for imparting instruction in spinning, sewing, knitting, embroidery, cooking, home-keeping, accountancy, decoration, music, handicraft etc., have been made in the Kanyagraha.

#### SCHOLARSHIPS

Scholarships are granted to working class students attending VIII to XI standards. In the year under report scholarships amounting to Rs. 6,385-8-0 were awarded to 314 students.

#### WOMEN'S SECTION

The Association has started a special section since 2-10-52 to assist working class women by engaging a batch of 25 women social workers. Twelve women's centres are being conducted, each in charge of two lady social workers. The main activities of the centres are contacting working class women, ascertaining their difficulties, and helping to solve them, organizing literacy classes, imparting training in various arts, such as sewing, knitting, embroidery, toy-making, handicrafts, decoration, *rangoli* (artistic designs in colour), cooking, use of simple remedies in minor ailments, music, *garbas* and organizing entertainment programmes, dramatics, picnics, outings and radio-programmes. During the year, 6824 women took advantage of the various activities conducted by the women's section.

#### CHILDREN'S SECTION

With a view to ensure proper physical development, character-building and social education of working class children a new activity has been started by the Association from April 1955. In pursuance of this activity 35 children's centres were started during the year. The number of children taking advantage of these centres was 1442. 25 part-time workers were engaged to further this activity.

#### UPLIFT OF BACKWARD CLASSES

Among the working classes the Association has to deal with three main backward communities, namely, the Harijans, the

Vagharis and Thakors. They are mostly engaged in Card. Blow. Frame and Ring-spinning departments of the mills. These communities have already set up their own organizations from April 1955. The Association has spared the services of four social workers for this work.

### MEDICAL AID

With a view to rendering proper medical aid a Maternity Home, in memory of the late Smt. Kasturba Gandhi, an allopathic dispensary and two Ayurvedic dispensaries are being conducted by the Association. One lady doctor has been visiting different labour localities every day for medical examination. advice and aid to working-class women and children. The Association has started from 16th May 1955, a new activity which aims at imparting instruction for keeping oneself physically fit and prescribing simple Ayurvedic herbal remedies in cases of minor ailments. A full-time organizer and a part-time experienced and practising Ayurvedic Vaidya have been engaged for this medical service. More than 35 thousand patients took advantage of these facilities during the year.

### Co-operation

Since 1929 onwards the Association has been making all possible efforts to encourage co-operative activity among the industrial population of the city. This movement has witnessed steady growth. Trade unionism and co-operative movement have helped each other in their growth. In fact, they are both complementary to each other in their aims and objects. The strength of this movement will be evident from the fact that there are 159 Co-operative societies of industrial workers of the city. These consist of 1 farming, 22 consumers, 26 supply, 50 credit and 60 housing societies.

### Majoor Sahakari Bank

The Majoor Sahakari Bank Ltd. was started in 1947. During its nine years of existence, it has made rapid progress from year to year.

It has a Paid-up capital of Rs. 5,66,550/- subscribed by more than 25,000 shareholders. The amount of deposits as it stood on 30th June 1956 was as under:



Savings Accounts	Rs. 5,33,977
Current Accounts	Rs. 4,61,854
Fixed Deposits	Rs. 5,99,406
Cash Certificates	Rs. 62,049
	<hr/>
Total	Rs. 16,57,286
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The total number of accounts are 4707.

The Bank has given loan worth Rs. 1 crore to about 17,000 members during the last nine years. The outstanding amount of loan is Rs. 19,00,000/-.

The Co-operative societies affiliated to the Bank number 60 comprising of 33 housing, 17 credit and 10 supply societies.

It is compulsory for loanees to get their life insured. The Bank holds special agency of the Bombay Co-operative Insurance Society Ltd. At the end of the year there were 8500 policy-holders insured through the Bank covering insurance risk of more than Rs. 39,00,000/-.

The total working capital of the Bank amounted to Rs. 25,58,197/- on 30th June 1956.

### Miscellaneous Activities

The Labour Association's bi-weekly organ *Majur Sandesh* (Labour Message) discusses mainly the local problems and offers guidance to the city labour. The Association runs a press and accepts outside job work also, besides printing the *Majur Sandesh* and the Association's publications.

The Association is affiliated to the Indian National Trade Union Congress. As directed by that body to form industry-wise Federations, a 'Textile Workers' Federation has been organized by the Labour Association. Its workers are also actively associated with the Gujarat Branch of the INTUC. The Association extends help to trade unions in other industries also, such as railway, transport, electricity, banks, insurance, clerical establishments, press, paper, bricks, pottery and chemicals, located in Gujarat, Saurashtra and Rajasthan. It deputed delegates to International Conferences and Committees convened by the International Labour Organization and the World Federation of Free Trade Unions.

The Rural Relief Department of the Association has extended its activities to nearly 500 villages of Gujarat, Saurashtra and Rajasthan. During 1955-'56, it tackled 338 complaints.

The Association has a good research library containing books on labour, economics, politics, civics, trade, industry, commerce and allied subjects for the use of its staff.

The Schools for training Welfare Workers conducted by the universities of Delhi, Bombay and Patna depute their batches of students to the Labour Association for short-term and long-term courses for practical training. Students from U.P., Delhi School of Social Work, Kashi Vidyapith, and the various branches of the INTUC also avail themselves of these facilities offered by the Association.

The administrative set-up of the Labour Association is based on the prescribed Chart of Activities (Vide Appendix III). There are three departments:

- (1) The Complaints Department.
- (2) The Social Work Department, and
- (3) The Administration Department.

Each Department is in charge of an experienced officer. The staff of the Association consists of about 200 full-time workers.

The Labour Association represents how a trade union of Gandhiji's conception can function in an unassuming manner in order to help workers to grow to their full height. Not that it claims to be doing all which it is expected to do; but it would be seen that it is a step in the right direction. What does an average Indian worker aspire to? He wants a steady job, a *habitable* house, and a happy family life. It may be argued that he desires also to take an active part in the politics of his country. True, but his participation, as that of any other citizen, should be a natural development of his civic sense. He would function in a democratic climate not as an inferior being, certainly not as a dictatorial superior, but as a member of a free society on terms of perfect equality.

If this analysis is correct, it would be found that the Labour Association tries to cater to these aspirations in a capital way. It claims to concentrate its energies in the triple task of removing the day-to-day grievances of the workers, of creating physical conditions where they would live healthily and happily and

of enlightening them on various phases of life which would make their life more useful and more fruitful. This method alone would make them normal beings, unfearful of any aggression from any quarters. They would negotiate with their employers in times of crisis in a perfectly free manner, and if negotiations fail, resort to strike in a peaceful way. It would thus be seen that a trade union based on such democratic ideals alone is eminently fitted to evolve peaceful industrial relations.

## CHAPTER XXIV

### THE INDIAN NATIONAL TRADE UNION CONGRESS

Go ye out, O disciples, and travel from place to place... and preach the Law, the beginning of which is noble, the middle of which is noble, and the end of which is noble, in spirit and in letter.†

—Lord Buddha

#### The Birth of the Trade Union Congress

The All India Trade Union Congress was founded in 1920, with the late Lala Lajpat Rai as its President and Mr. Joseph Baptista as the Vice-President. The important subjects for discussion included shorter hours, higher wages, better housing, medical help as also old age and maternity benefits. Its second session was held under the presidency of Mr. Joseph Baptista in Jharia (Bihar) by the end of 1921 in a tense atmosphere when 10,000 workers of the place were on strike. The most important item of the session was the passing of a constitution of the Trade Union Congress. A resolution was passed in sympathy with the Russian Revolution and a suggestion was made that a Ministry of Labour should be constituted at the Centre.

The great strides of trade unionism in India included the foundation of a Federation with local and provincial units. A separate All India Railwaymen's Federation under the presidentship of Deenabandhu C. F. Andrews was constituted in 1925. This federation has been well organized and is noted for its solidarity, strength and resources. As the trade union movement developed on an all-India basis, it naturally brought labour leaders in the limelight and they were given seats in important public and government bodies.

† *Mahavagga*, I, 6-10, quoted in *Buddha* by Oldenberg, p. 131.

## Communistic Influence

This was the time when Communism was infiltrating vigorously in India. In 1927 a Workers' and Peasants' Party was formed by the communist leaders and a new trade union ideology came into the labour field. Next year (1928) the Communists organized the Bombay Girni Kanigar Union, (Lal Bawra Union), which at that time became one of the strongest Indian trade union organizations. This was the union which brought about in April, 1928, one of the biggest strikes in the country involving nearly 1,47,644 workers. Some of the communist leaders succeeded in getting elected as office-bearers of the All India Trade Union Congress.

The introduction of a foreign ideology naturally created a split in the labour ranks all over the country and the disintegration reached its climax in 1928 when the annual session of the All India Trade Union Congress was held at Nagpur under the presidentship of Pandit Jawaharlal Nehru. This session led to the formation of two parallel organizations: 1. The old All India Trade Union Congress and 2. The Trade Union Federation. Disintegrating tendencies continued to divide the labour ranks which wavered in their loyalties in the absence of definite leadership. In 1930, however, attempts were made to minimize the differences and a united conference was convened at Bombay, though not with much success. Two years later, i.e. in 1932 a certain degree of compromise was reached and a new federation known as the National Trade Union Federation was formed in Bombay. There was again a split in 1935 and the organization was divided into two bodies, known as the National Trades Union Federation, and the Communist organization, Red Trade Union Congress. The latter was merged later on into the original All India Trade Union Congress.

This brief review of the labour movement in its initial stage in India would reveal that the trade unionism has had a very chequered career. During the Satyagraha movements ranging from 1920 to 1944 with a brief relief of a couple of years after 1937 the Congressmen and the Congress-minded labour workers were in jails or were occupied with political movement work. So the whole labour field was completely under the control of the Communists. They, therefore, succeeded in soon capturing

the All India Trade Union Congress. During the "Quit India" movement in 1942, they sided with the foreign government and tried to sabotage the nationalist upsurge. Their aim was not the welfare of the workers but the capture of power for their party for political purposes. They were inspired by a foreign ideology and presumably were even guided by a foreign power. They discarded arbitration and adjudication as the proper means of settling labour disputes. They advocated violence and strikes instead, which they began to organize on a wide scale throughout the country. Prolonged stoppages on a large scale in numerous industries and services caused heavy material loss to the workers, involving them in serious hardships. Production began to fall, worsening thereby the already strained economy of the country. The worker asked for bread; he was offered strike instead. He was, therefore, caught in the grip of despair and naturally felt the need of a new programme which would ensure him a stable economic life.

### **Reaction to the Communistic Influence**

Many prominent trade unionists disagreed with the policy and working of the All India Trade Union Congress. They felt that such a policy would militate against the best and most vital interests of not only the working population but even of the country as a whole and would jeopardize its peaceful progress on democratic lines. They, therefore, believed that the urgent need of the hour was the formation of a central labour organization which would work on lines identical with the Indian National Congress which had marvellously succeeded in wresting power from the British Government.

After 1944 the political atmosphere of the country began to change in favour of the Indian National Congress with the result that the Indian labour also came in line with the other sections of the populace and became hopeful, responsive and co-operative. This can be seen from the number of registered labour unions which increased from 241 in 1935-'36 to 1,087 in 1946 with a total membership of 8,64,031.

### **The Gandhian Approach**

In 1937, a Labour Sub-committee was set up by the Gandhi Seva Sangh, Wardha, to organize labour on Gandhian lines. As a result of the recommendations of this body, the Hindustan

Mazdoor Sevak Sangh was established in 1938 in Bombay with the objective of initiating labour work on constructive and peaceful lines. This was sought to be done by training labour workers for propagating the new ideology and for doing social welfare work in the labour areas. Till 1945, The Sangh was able to open its provincial and district branches in many places and fairly succeeded therethrough in popularizing the new technique of peace.

### **The Genesis of the INTUC**

The Congress Working Committee of the Indian National Congress in its meeting of August 13, 1946, adopted a resolution advising all those Congressmen engaged in labour work to follow the lead given by the Hindustan Mazdoor Sevak Sangh. Gandhiji had approved of this new venture and had blessed it. The secretary of the Mazdoor Sangh, Shree Gulzarilal Nanda, the present Minister for Labour and Planning, thereupon addressed a communication to all the trade unionists in the country inviting them for a conference in New Delhi in May, 1947. The communication among other things stated the following as a compelling reason for forming a new labour organization other than the All India Trade Union Congress.

Congressmen in general, and particularly those working in the field of labour, have found it very difficult to co-operate any longer with the Trade Union Congress which has repeatedly been adopting a course completely disregarding, or even in opposition to, the declared policy and advice of the Indian National Congress.

The Conference met in New Delhi on the 3rd May, 1947, under the presidentship of Sardar Vallabhbhai Patel, President of the Central Board of the Hindustan Mazdoor Sevak Sangh. Trade unions of nearly all the trades, occupations and services were represented in the session by their foremost workers. The number of unions represented was more than 200 from all parts of the country and their total membership exceeded 5,75,000. In this Conference was founded the Indian National Trade Union Congress (INTUC) on the 4th May, 1947. A provisional executive was formed with Dr. Suresh Chandra Bannerjee as its President and Shree Khandubhai Desai as its Secretary.

### **The Aims and Objects of the INTUC**

The first session of the INTUC was held in May, 1948 in Bombay under the presidentship of the late Shree Haribarnath

Shastri. It made a very clear statement on the policy and programme of the new organization. It emphasized in labour work the urgency of "adherence to a moral code and reliance, not on force and power to coerce and suppress, but on the practice and spread of understanding". While defining its objective it stated in part:

A ceaseless struggle has to be waged while any vestige of social and economic injustice remains; but the spring of action in the case of those who would follow this path shall always be love and not hatred. Co-operation should take the place of conflict in social and economic relations and every one must try to achieve the good of all i.e. Sarvodaya.†

The aim of the INTUC, the statement continued, would be the establishment of

an order of society which is free from hindrances in the way of an all-round development of its individual members, which encourages the growth of human personality in all its aspects, and goes to the utmost limit in progressively eliminating: (a) social, political and economic exploitation and inequality; (b) the profit motive in the economic activity and in the organization of society; and (c) the anti-social concentration of power in any form.§

In the same resolution the INTUC had chalked out an elaborate twenty-three-item programme for the realization of Sarvodaya. By another resolution the INTUC endorsed the Industrial Truce which was unanimously accepted by the 9th Indian Labour Conference, held in New Delhi in April, 1948 and suggested an appointment of a committee of experts for (a) fixing wages on a fair and equitable basis; (b) laying down the basis for a fair return on capital and the provision of adequate reserves; and (c) evolving a scheme whereby labour will be assured of a just share in the profits of the industry. By the third resolution, the INTUC suggested to the Government to take over and run under its own management those industrial concerns in which the Industrial Truce is repeatedly violated and which are being hopelessly mismanaged. By a fourth resolution, it emphasized the great need of providing adequate housing facilities to labour.

It will thus be seen that the ideals which successfully guided the activities of the Ahmedabad Textile Labour Association for nearly last forty years were the very basis of this all-India

† *Indian Trade Union Congress—A Review*, p. 61.

§ *Ibid.*, pp. 61-62.

labour organization. In this manner the success which attended the operation of the Gandhian technique of labour work in Ahmedabad encouraged the labour workers at large to extend the technique to an all-India labour field.

The new organization started work with two definite aims. One was to improve by all possible peaceful means the working and living conditions of labour; and the second was to strengthen the hands of the Government of free India with the help of contented labour.

The following is a rapid review of the activities of the INTUC to date i.e. from May, 1947 to April, 1956.

### Organization of Provincial Branches

The formation of provincial branches was the first activity which was taken in hand by the INTUC and within a few years the branches were organized in all the provinces. Their membership as on 31st December 1955, was as follows:

S. No	Province	Unions	Membership
1	Andhra	30	15,230
2	Assam	28	1,82,547
3	Bengal	260	4,21,449
4	Bihar	84	1,23,542
5	Bombay	32	1,25,400
6	Delhi	20	7,320
7	Gujarat	100	1,41,402
8	Hyderabad	30	11,444
9	Karnatak	6	3,128
10	Kerala	29	36,773
11	Madhya Bharat	34	32,174
12	Madhya Pradesh	57	47,241
13	Maharashtra	56	33,994
14	Mysore	19	12,026
15	Orissa	16	20,219
16	Punjab	55	18,775
17	Rajasthan	19	15,550
18	Tamilnad	65	78,102
19	Uttar Pradesh	202	87,759
20	Vidarbha	29	8,596
Total		1,171	14,29,621



### Organization of Industrial Federations

Simultaneously with the organization of provincial branches, work was started to build up industrial federations on national lines. This involved linking up of trade unions industry-wise into national federations. Such national federations were formed in sugar, iron and steel, textiles, coal and railways and they were affiliated to the INTUC. Their membership as on 31st December, 1955 was as follows:

S. No.	Industry	Unions	Membership
1	Agriculture	33	15,841
2	Cement	27	21,520
3	Chemical	45	18,041
4	Clothing	2	344
5	Commercial Services	71	20,100
6	Construction	18	10,891
7	Electricity & Power	54	15,046
8	Engineering	81	80,080
9	Food & Drink	89	31,161
10	Glass & Potteries	33	20,732
11	Govt. Local Bodies & Private	134	75,052
12	Jute Textile	56	1,26,528
13	Leather Products	14	13,269
14	Mining & Quarrying (Metallic)	12	29,456
15	Mining & Quarrying (Non-metallic)	32	91,961
16	Paper Products	13	9,017
17	Plantation	40	2,34,442
18	Posts & Docks	11	24,130
19	Post & Telegraph	3	3,002
20	Printing & Publishing	19	4,073
21	Rubber Products	9	5,060
22	Sugar	77	51,784
23	Textile & Hosiery	141	3,28,244
24	Transport	117	1,67,570
25	Wood	5	1,766
26	Miscellaneous	35	32,511
Total		1,171	14,29,621

The following federations other than those mentioned above have been affiliated to the INTUC:

1. Indian National Cement Workers' Federation, Bombay.
2. Indian National Dock Workers' Federation, Bombay.
3. Indian National Jute Mills Workers' Federation, Calcutta.
4. Indian National Mine Workers' Federation, Dhanbad (Bihar).
5. Indian National Plantation Workers' Federation, Silehar (Assam).
6. Indian National Sugar Mills Workers' Federation, Lucknow (U. P.).
7. Indian National Textile Workers' Federation, Ahmedabad.
8. Indian National Transport Workers' Federation, Ahmedabad.

The activities of the INTUC will be divided, for the purpose of this review, into two sections: I. Providing for labour; and II. Towards the socialistic pattern of society.

### I. Providing for Labour

#### AGRICULTURAL LABOUR SECTOR

The INTUC has always emphasized the fact that the industrial labour which is at present attended to, covered only a fraction of the national labour power at work and that, therefore, the question of agricultural labour which covers nearly 70 per cent of the whole population should be tackled. There is chronic unemployment in that sector for more than six and even eight months of the year and underemployment for all the year round. The INTUC, therefore, had always emphasized the urgent need of providing supplementary occupations to the peasants and even to the industrial workers.

The INTUC, therefore, has fully endorsed the Karve Committee's recommendations of utilizing the Government grant of Rs. 200 crores of rupees on small-scale and cottage industries including Ambar Charkha for the purpose of creating employment mainly in the agricultural areas. The Karve Committee

expects that it will be possible to create thereby 4.5 million jobs and suggests to the industrialists to co-operate with the Government by reserving certain consumer goods industries for that sector.

### WAGES AND PRODUCTIVITY

The Labour Panel of the Planning Commission consisting of the representatives of the Government and the INTUC has unanimously agreed that until the living wage standard is attained, the major share of the benefit of the increased productivity should go to labour. It further argued:

The increase due to a rise in productivity between 1950 and 1954 is 31.2 points. In 1955, another 3 points have been added. Then the Company Law reform which reduces the remuneration of managing agents, managing directors and other categories will create a margin equivalent to 10 points. The lowering of the gap between the highest and the lowest incomes as is recommended by the Taxation Inquiry Committee may result in another 5 points. Thus a total increase in the paying capacities of the industries on the basis of index numbers may be said to be 52.2 points.

The Panel, therefore, appealed to the Government and the employers to consider a 25 per cent increase in wages straight-way on the basis of the two years' agreement of industrial peace.

The question of wages is always a bone of contention between the industrialists and the working-men. The Panel, therefore laid down 13 norms and standards to determine wages.\*

### EMPLOYMENT ON THE BASIS OF THE SECOND FIVE-YEAR PLAN

The Second Five-Year Plan (1956-'61) is based on the creation of employment and the Government hopes to provide 12 million jobs during the five years by the promotion of both large-scale and small-scale industries. It is, however, discovered that with the total investment of 4,800 crores, the large-scale industries are not likely to create as much employment as the 200 crores will create in the cottage industries sector. According to Shree Vaikunthlal Mehta, the Chairman of the All India Khadi and Village Industries Board, Bombay, the Ambar Charkha alone has the capacity to "provide full time gainful employment to over 50 lakhs of people in the rural areas."† The

\* INTUC Annual Report, 1954-'56, pp. 6-8.

† *The Indian Worker*, 23-7-'56.

village industries have almost unlimited employment potentialities. This is the reason why village industries should be judged differently, as Shree Shankarlal Banker pointed out in his inaugural address of the Ambar Charkha classes in Ahmedabad:

The measuring rod with which the large-scale mechanized establishments are judged should not be applied to small-scale industries which lay dispersed all over the country and involved vast numbers of people. The measuring rod in such a case should be, with what speed and effect such programmes are introduced and executed and to what extent these had contributed to the economic and social betterment of the people involved.‡

The all-round industrial production shows a continuous rise from 1947 to the first ten months of 1955. The index which stood at 97.2 in 1947 rose to 159.4 towards the end of 1955, and the country seems to be on the way of self-sufficiency in a number of consumer goods. The rising industrial production is indicated even by the fall in commodity prices. The price index dropped from 399.6 at the beginning of 1954 to 367.8 at the end of the year, and in August 1955, it was 358.6. This shows that the production had been continuously increasing in the then existing industrial set-up. Given normal conditions and with a substantial addition of large-scale and small-scale industries, the employment potentiality is abundant in the Second Five-Year Plan.

### RATIONALIZATION

Rationalization is one of the toughest problems labour is required to face almost every day of its existence. New technological inventions bring into being new machines which eliminate the number of required workers. The industrialists install such machines with a view to reduce the cost of production and continue to relieve a number of employees. In this manner the sword of Democles in the form of sudden unemployment is ever hanging over the head of labour all over the world.

The INTUC is not opposed to proper rationalization which does not merely mean reduction in the number of workers but includes adoption of improved and scientific methods of purchase, production and sale, reducing charges of management and stopping of all leakages, wastes and corruption. In the present economic state of the country rationalization can be justified

‡ *The Indian Worker*, 23-7-56.

only to the extent it can be done without creating unemployment and, that too with a view to cheapen the products for the consumers and to enable the workers to reach a living wage standard.

The General Council of the INTUC at its meeting at Indore in May, 1953, urged the Government to take prompt steps in the following directions:

1. All retrenchments and rationalization in violation of accepted principles and procedures should be stopped forthwith.
2. In no case should any steps towards rationalization be taken without the concurrence of workers.
3. Mechanization and technological labour-saving devices in the existing conditions must be prohibited so as at least to ensure the existing level of employment in various industries.
4. The principle of payment of compensation for the period of closures or stoppages of work by employers should be introduced.
5. The Government should create an effective machinery for the purpose of enforcing the Provisions of Industries (Development and Regulation) Act as amended by the Parliament in the interests of continuous production and employment.†

#### DEARNESS ALLOWANCE

There was a suggestion by the Gadgil Committee for merger of 50 per cent of the dearness allowance with basic wage. The question was discussed in the meetings of the Labour Panel of the Planning Commission and the employers proposed even the total merger of the dearness allowance with the basic wages, if the question of further adjustment of the ratios applied to different categories did not create obstacles. The INTUC suggested that steps should be taken industry-wise to bring about a total merger of the dearness allowance with the basic wages by having some agreement on the question of the ratios concerned. That would bring up the wage system prevalent in India in line with the one obtaining in other countries.

#### THE EMPLOYEES' PROVIDENT FUND

The Employees' Provident Fund Act, 1952, was passed by the Parliament on the 4th March, 1952. This Act covers: (a) cement, (b) cigarettes, (c) electrical, mechanical and general engineering products, (d) iron and steel, (e) paper, and (f) textile industries. The contribution of the employees would

† INTUC Annual Report, Nov. 1952 to Dec. 1953, p. 29.

be  $6\frac{1}{4}$  per cent of the basic wages and the dearness allowance, including the cash value of any food concession to employees. The employers' contribution would be the same. The General Council of the INTUC meeting at Trichur in May, 1955 urged for the extension of the scheme to cover commercial establishments, plantations and mines, and for raising the rate of contribution from  $6\frac{1}{4}$  per cent to  $8\frac{1}{3}$  per cent. The Council further stated that the principle of the Provident Fund Act should be applied in uniform manner to all industries including coal mines where separate legislation exists.

Over 20.54 lakh workers all over India are covered by this Act which came into effect in November, 1952.

### BONUS

With the beginning of the Second World War, industrial profits increased and the prices of necessities rose high. The workers, therefore, demanded an increase. So the practice of a lump sum payment of bonus was adopted. The Courts and Tribunals have come to consider it as a legitimate industrial claim and have justified the grant of bonus on the ground that workers are not paid a living wage.

Since 1950, however, the Labour Appellate Tribunal has standardized the formula for payment of bonus on the basis of allowing certain prior allocations at certain supposed standard rates. In the formula, priorities of commission, depreciation, rehabilitation of machinery, rate of dividends and return on capital are fixed at a very high rate and on wrong notions. Thus in ascertaining the surplus available for bonus, these priorities have been loaded in favour of employers and this results in depriving workers of their rightful share in the higher profits made by the industry.

The INTUC, therefore, has been urging upon the Government to evolve equitable norms and standards for distribution of bonus and make suitable arrangements for their adoption.

### THE EMPLOYEES' STATE INSURANCE SCHEME

The INTUC has been suggesting since long for the operation of some insurance scheme for workers who are generally strangers to economical habits of life. The insurance scheme, the INTUC thought, would bring about, not only an automatic

saving of a part of their earnings but would provide for them medical care though in a limited degree. The Government of India inaugurated the scheme in New Delhi on the 24th February, 1952. The scheme was extended up to 1953 to Kanpur (U. P.), Amibala, Amritsar and six more centres of the Punjab, covering in all 2,73,740 workers. The following two years saw the extension of the scheme to Nagpur (Bombay State), Greater Bombay, Greater Gwalior, Indore, Ujjain and Ratlam (all four of Madhya Bharat) as also Coimbatore (Andhra). This covered 5,97,464 more workers, totalling in all 8,71,204 workers up to 23-1-'55. Till the 1st of December, 1956, the scheme has been applied to a total of 11 lakhs of workers from 42 cities.

## LABOUR HOUSING

The INTUC has been emphasizing since September, 1948 the urgency of constructing new houses for labour. The housing problem in the cities has become more acute during the last decade, mainly on account of the rapid growth of population and the increasing migration of working population from rural to urban areas. The rapid growth and concentration of industries in the cities have further accentuated the scarcity. The housing programme of the Government envisages construction of 40 thousand units. In the opinion of the INTUC, the construction work is far too slow and should be expedited.

## II. Towards the Socialistic Pattern of Society

### THE SOCIALISTIC PATTERN OF SOCIETY

The outstanding event of 1955 which would shape the future of our country is the acceptance of the socialistic pattern of society as the goal by the Parliament, the Indian National Congress and the INTUC. As has been discussed in detail in chapter VIII, this acceptance comes quite in line with the tradition of peace which is a special characteristic of our civilization.

The private sector was given a distinct place in the First Five-Year Plan and the industrial policy as was declared by the Government in 1948 still continues to hold the field. The Second Five-Year Plan also has adequately accommodated the private sector. It is, however, clear that India wants to experiment on its own special pattern of socialistic society. On the one hand, it wants to retain and take over to the public sector

the heavy, basic and strategic industries, and, on the other hand, to leave the rest to the private sector. This is a new experiment of mixed economy where, on the one hand, an average individual is left free to develop his own personality in the way he likes, unhindered by any external economic pressure, while on the other hand, an individual or a group of individuals are prevented from getting a grip on the country's economy.

#### THE MANAGING AGENCY SYSTEM

For a long time past there was an opposition, both vocal and mute, to the managing agency system which reserved lion's share of the profits of industrial and commercial concerns for the management. The INTUC raised the question as a national issue. In the Rajkot session of the General Council of the INTUC, meeting on the 23rd and 24th May, 1954 under the presidentship of Shree S. R. Vasavada, the following resolution on the managing agency system was passed:

The managing agency is a relic of the colonial system of economic exploitation and is allied to a feudal system involving perpetuation of hereditary rights. It leads to concentration of power over means of production without corresponding responsibility, and as such is opposed to directive principles embodied in the Constitution. It has failed to evolve an efficient managerial cadre. It very often operates as a deterrent to growth and development on the industrial enterprise on proper lines. Its continuance is an impediment to the evolution of social and economic Swaraj of Gandhiji's conception. The General Council is of the opinion that the system has outlived its utility and it is now high time to put an end to it.

The INTUC also prepared a memorandum for the Select Committee of the Parliament which was then reviewing the Companies Law Amendment Bill. The Companies Act was passed by the Parliament in 1956.

It is interesting to estimate here how much the abolition of the managing agency system is likely to save for the nation. During an average good year the managing agency would draw approximately an amount of 270 lakhs of rupees as its commission. After the operation of the Act now, it can draw only 65 lakhs of rupees.

#### THE COMPANIES ACT, 1956

Some of the most relevant clauses of the Act in part are as follows:

1. No company shall... make the appointment of the Managing Agent for term exceeding 15 years. (Sec. 328).



2. Any agreement shall be void in as far as it provides for succession to the office by inheritance or devise. (Sec. 344).

3. A company shall not pay to its Managing Agent...any sum in excess of 10 per cent of the net profits of the company for the financial year. (Sec. 348).

4. No public company or no private company which is a subsidiary of a public company, shall make any loan to, or, give any guarantee or provide any security in connection with a loan made by any person to, or to any other person by,

(a) Its Managing Agent or any associate of its Managing Agent ... (Sec. 369).

It is hoped that the operation of the Act would release considerable funds out of the cost structure both for raising wages as well as for giving better living and working conditions to workers and thus benefiting the society.

#### CEILING ON INCOME

The acceptance of the socialistic pattern connotes ceiling on income. The Taxation Enquiry Committee Report suggests a ratio of 1 to 30. Even the capitalistic countries have discarded this ratio and China is trying to have 1 to 10. We feel it is advisable to make a beginning of putting the ceiling on the wage and salary incomes, both in the private and the public sectors, and the general limitation of dividends should be made in the total incomes from investments.

#### MANAGEMENT-LABOUR ASSOCIATION IN INDUSTRY

The endeavour of the INTUC from its very inception has been to develop industrial relations on peaceful lines. It is indeed true that "as yet no scientific formula has been discovered to put the industrial relations on an equitable basis acceptable to all".<sup>‡</sup> But the State has a right and a responsibility in the matter of adjusting relations between capital and labour. The adjustment would be feasible only when it is recognized that what the workers want is "not a few additional coins, but a recognition both in theory and practice of their status, as equivalent to and not inferior as compared with the management". For the only logical conclusion of the peaceful industrial relationship, which is very necessary for the smooth working of the industry, is the increasing measure of association of the workers with the

<sup>‡</sup> Shree Khandubhai Desai's Presidential address, Fourth Session, Ahmedabad, October, 1951, p. 3.

management. "The proper evolution," according to Gandhiji, "would be for the labourers to raise themselves to the status of part-proprietors."§ The workers can do so only when they are regarded as having "every right to possess an accurate knowledge of the transactions of the mills".\*

For the building up of a socialistic pattern of society also, participation of labour in the management is inevitable. The idea has been accepted by the Government and the Labour Panel has suggested a Council of Management, which is a half-way house between the present position and direct participation in the directorate. The experiment of labour participation has been a great success in Germany, which is, therefore, known as the "German miracle".

The Working Committee of the INTUC, meeting in Shillong on the 7th and 8th March, 1956, welcomed the acceptance by the Government of the policy that adequate steps should be taken for participation of workers in management. It declared its belief that the joint responsibility towards the industry on the part of the employers and the employees was bound to put the industry on a stable and progressive basis. It suggested that with a view to enable the workers to effectively share the responsibilities and privileges of managing industrial concerns, they should be given proper training in the technique of production, marketing, sales, organization as also financing and administration of the industry. This arrangement would leave no scope for mutual distrust which often leads to serious industrial disputes.

This does not mean, however, that in the opinion of the INTUC, a strike is a taboo for all time. It believes that strike should be resorted to only when all possible avenues of peaceful settlement are exhausted and decision to launch a strike is taken by secret ballot of workers. Its constitution, not only accepts strike as a last weapon in the hands of the working class but also provides for any "suitable form of Satyagraha".

#### AN INNOVATION OF CO-PARTNERSHIP

The Tata Iron and Steel Company Ltd. Jamshedpur (Bihar) are the pioneers in the field of co-partnership. They

§ *Young India*, 16-2-21.

\* *Harijan*, 13-2-37.

and the Tata Workers' Union have entered into an agreement on the 6th January, 1956 for the closer association of the employees with the Management of the Company.

The Company has constituted the following Joint Committees in pursuance of the Agreement:

1. Welfare Committee, 2. General Safety Committee, 3. Workmen's Benefit Fund Board of Trustees, 4. Joint Departmental Councils, 5. A Joint Works Council, 6. A Joint Town Council and 7. A Joint Consultative Council of Management.

The agreement further declares that to enable the aforesaid committees to exercise their functions effectively, the management will make available to them relevant information, data, statistics, including such financial information as may be necessary for the proper understanding of any matter under consideration.†

There is a similar agreement made also between the workers and the management of the Modi Spinning and Weaving Mills Co. Ltd., Modinagar (U. P.) on 6th March, 1956.

A tripartite committee appointed by the Indian Labour Conference which met in New Delhi early in August, 1957 has compiled a list of major industries both in the private and public sectors for introducing workers' participation in industrial management. The industries selected from the private sector are: cotton textiles, jute, engineering, chemicals, tobacco, paper, sugar, cement, mines and plantations. Those from the public sector include: railway workshops and yards, posts and telegraphs, ports, shipyards, transport workshops, mines, printing presses and electricity undertakings. The committee has requested the State Governments also to name suitable industrial undertakings in their control for inclusion in this experiment of workers' participation in the industrial management. We feel that this is the right step in the process of evolution of peaceful industrial relations.

#### THE SECOND FIVE-YEAR PLAN (1956-'61)

The First Plan (1951-'56) marked an improvement in industrial relations and the success of joint consultation at

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† *Supplemental Agreement, 1956.*

various levels. The index of real earnings of factory workers advanced from 90.2 to 102.7 during the period of the Plan. With the progressive implementation of various social security measures the worker and his family today are better equipped against various risks like sickness, death, disablement, old age and short-term unemployment. In the matter of working conditions, the problems of health and safety have received increasing attention.

The Second Plan seeks to build, in many respects, on the basis of the First Plan but with a faster tempo. The following are some of its most important provisions in the interest of labour:

1. A dynamic wage policy with rising real wages has been accepted.

2. Wages are to be augmented by profit bonuses.

3. Extension of social security benefits to new groups, more vigorous implementation of Minimum Wage legislation, regulation of working conditions in construction industry and transport services and programmes for added welfare facilities constitute some of the benefits.

4. Groups like contract labour, agricultural labour and women workers would receive special attention.

5. Councils of Management will be set up in industrial establishments in which labour will be represented along with management and will share information about the various aspects with regard to the working of the industry.

6. Arrangement for training workers in trade union philosophy and methods has been provided.

7. Rs. 4800\* crores for public sector industries and Rs. 200 crores for small-scale and cottage industries are provided. These industries are estimated to supply collectively 12 million jobs during the Second Plan period.

8. Nationalization of Life Insurance (1956) and Gold Mines of Kolar (1956) has been brought about. The creation of a Ministry of Steel has brought the industry in the public sector.

\* According to the latest Governmental announcement, (*The Times of India* 7-9-57) the figure may go up by Rs. 700 crores on the part of public factors including prices.

It will thus be seen that vast and attractive avenues of employment are provided in the Second Five-Year Plan for the working population.

### Foreign Policy

The INTUC is trying to project the theory of co-existence in the international labour field. This means that whatever the political, economic or social system of a country may be, there should be no bar to its co-operation and collaboration with other countries. This is the reason why the INTUC supports the retention of the communist countries like USSR and Poland and the entry of Spain advocating Right Dictatorship in the ILO (International Labour Organization), so that the great organization might have truly a world character. The policy of the INTUC has been to retain its own democratic approach in dealing with our own affairs and not to criticize others for dealing with their own affairs in different ways. The INTUC delegates are, therefore, freely invited both by the U.S.A. and USSR. Right from 1948 till now nearly 20 representatives on an average of the INTUC visit foreign countries every year either as delegates, advisors or students.

### International Labour Organization

The two World Wars, the frightful development of nuclear energy and the complexity of the conditions created by the mechanization of the production processes have given rise to a host of problems, one of which is the problem of social injustice. The world is gradually realizing that the unrest created by social injustice can be eliminated and peace established, not by violence but by acts of non-violence or social justice. This is the reason why the Preamble of the Constitution of the ILO contains the following:

Whereas universal and lasting peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required.\*

The ILO is essentially an advisory body and its sessions pass such conventions and recommendations as are regarded

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\* *Constitution and Rules of the I.L.O.*, p. 3.

necessary for the uplift of labour. The members who represent governments, employers and workers from different countries are left free to apply these conventions and recommendations to the labour situations in their respective countries in the manner they think right. Thus the objective of the ILO is "to channel the valuable co-operation of governments, employers and workers towards the establishments of international labour standards."<sup>†</sup>

Both the ILO and the INTUC have an identity of ideals and both are wedded to the establishment of social justice and peace by means of co-operation of all the parties concerned. It is, therefore, no wonder that the INTUC has received guidance from the conventions and recommendations of the ILO. According to Shree V. K. R. V. Menon, Director, International Labour Office, New Delhi,

The Minimum Wage-fixing Machinery convention, 1928, the Maternity Protection convention of 1919 and the Employers' State Insurance convention of 1948 are good examples of the influence of ILO conventions on Indian legislation.<sup>‡</sup>

### **Peaceful Approach in Industrial Relations**

Peaceful approach in the labour work in all its ramifications can be said to be the speciality of the INTUC. Its representatives visiting the sessions of the ILO have been found helpful in its proceedings by virtue of their emphasis on class-collaboration and class-co-operation. Shree Khandubhai Desai, the ex-Labour Minister for the Indian Union, attended the 33rd session of the ILO in June, 1950 as the leader of the Indian workers' delegation. He served on the Committee of Industrial Relations and forcefully pleaded for peace in all the activities of labour work including industrial relations. The other workers' representatives highly appreciated this point of view.

### **International Confederation of Free Trade Unions (ICFTU)**

In 1948 the representatives of workers from the Asiatic countries, when assembled at ILO Conference in San Francisco, decided to start Asiatic Federation of Labour. At that time World Federation of Trade Unions (WFTU) was the only

<sup>†</sup> *Proceedings of Thirty-eighth Session of the I.L.O.*, 1955, p. 1.

<sup>‡</sup> *I.L.O. Review*, June, 1956, p. 551.

federation of international labour organizations. The WFTU was increasingly being dominated by Communists who were trying to utilize it as an instrument for the propagation of their ideology and practice. The INTUC and many other Asiatic trade unions, therefore, started Asiatic Federation of Labour (AFL) based on the principle of peace in the same year i.e. in 1948. It effectively functioned till 1950 and played an important part in establishing contacts, in promoting a sense of unity and solidarity among the working classes of Asia. But with the advent of the world organization in the form of ICFTU, need for an independent regional organization of Asia did not exist and therefore AFL chose to merge itself in ICFTU. From its very inception representatives of the INTUC have regularly attended its sessions.

### Consolidation Work

One of the main functions of the central secretariat of the INTUC has been to represent to the various Ministries of the Government of India and the State Governments, wherever necessary, the problems of workers in various industries. The central office has also been regularly in correspondence with the Central and State Governments with a view to get redress of all the legitimate claims of affiliated unions including grant of recognition, improved conditions of work, victimization, retrenchments etc.

The Provincial Branches of the INTUC have attained a much responsible position in the set-up of the organization. They have now become experienced and have developed a sort of a routine and a structural character which has helped a great deal in conducting the work of the affiliated unions in their respective jurisdictions. They are performing the most important work of educating the workers in the technique of Gandhian ideology as also in the labour movements in different parts of the country and outside. Consequently the Labour-Management relations have improved in many States.

The *Indian Worker* in English and the *Bharatiya Shramik* in Hindi are the two official weeklies of the INTUC published by the central secretariat, New Delhi. Both are rendering useful service to the cause by disseminating information of the labour movements of India and of other countries. Besides these, there

are various other journals published by the State Branches of the INTUC and Industrial Federations.

### **The Builders of the INTUC**

The INTUC is trying to base its activities on the twain principles of Truth and Non-violence preached by Mahatma Gandhi. The Conference which resolved to establish this organization was presided over by Sardar Vallabhbhai Patel, who was its unfailing adviser till his demise in 1950. Dr. Suresh Chandra Bannerjee, who was thrice President of the All-India Trade Union Congress was the first President of the INTUC, while Shree Khandubhai Desai was the first secretary. The latter was its President from 1950 to the time when he was appointed as the Union Minister. Shree Desai, in co-operation with Shree Gulzarilal Nanda, the present Minister for Planning and Labour, played an important part in shaping the organization in its initial stages. In 1948, Shree Hariharnath Shastri was elected its President. From 1949 till his death in December 1953, he continued to occupy the key-post of the General Secretary of the INTUC. His dynamic leadership was very much helpful in the growth of the organization. Professor John, who has organized Jamshedpur labour and Shree G. D. Ambekar, Organizer of the Bombay labour were the Presidents of the INTUC after 1952. Shree S. R. Vasavada and Shree K. R. Tripathi are its present President and Secretary respectively. Thanks to this continuing leadership, dedicated to Gandhian ideals, the organization of INTUC has succeeded in building up a non-violent front which alone shows a sure hope for the future.

### **Conclusion**

The INTUC has played an important part, during the ten years of its existence, in championing the just demands of workers, in resisting threats to their security, in bringing about a progressive reorientation in the economic policies of the Government and in ensuring active co-operation of the workers in realizing the national objectives in the economic field. In this manner, the INTUC, on the one hand, has consistently tried to instil among the workers a high sense of responsibility and discipline and on the other hand, it has succeeded in effectively



impressing on the Government the need for a sympathetic and objective consideration of the grievances of the workers and for the amelioration of their conditions. The Indian Government found the co-operation of the INTUC very valuable.

Thus the Gandhian technique which seemed to have succeeded in Ahmedabad in a limited area, appears to have been effective on an all-India scale in shaping the policy of the INTUC. Well had Gandhiji prophesied fifteen years before:

Ahmedabad Labour Union is a model for all India to copy....A time, I hope, will come when it will be possible for the Trade Union Congress to accept the Ahmedabad method and have the Ahmedabad organization as part of the All-India Union.§

## CHAPTER XXV

### CONCLUSIONS

I have pictured to myself an India continually prospering along the lines best suited to her genius. I do not, however, picture it as a third class or even a first class copy of the dying civilization of the West.†

—Mahatma Gandhi

### Peace Technique

We have discussed industrial relations on the basis of peace as they were envisaged by Mahatma Gandhi. The industrial relations, as we have discussed them here do not represent only as an isolated piece of the industrial sector. They mean as they do, a totality of life, a diversity of inter-relations between labour, employer, consumer and Government. This is the reason why we have emphasized its peace content as it is related to the industrial organization itself, and to all those factors connected with it. Peace or non-violence is a fundamental, dynamic concept which permeates every phase of our life and seeks through it, its varied expressions. Unless the principle is carried out in the right way in all the fields of industrial activity, in its administrative, economic and educational contexts and by the right sort of means, such reforms are not likely to bear much fruit. This is why the problem of peaceful industrial relations becomes

§ Gandhi, M. K., *Constructive Programme*, pp. 23-24.

† *Harijan*, 30-7-'38.

ultimately the problem of peaceful industry. We, therefore, considered the question on two backgrounds:

One of them is the existing industrial structure which is essentially capitalistic; the other is a transformed industrial structure representing mixed economy which, in our view, would answer in the best way, the requirements of peace.

### **Industry Is a Joint Concern**

The peace technique has been developed as a counterpoise to class-war, dictatorship of the proletariat, abolition of private property and a violent revolution. The Gandhian technique presents a challenge to the above prevalent ideology. It substitutes in its stead, class-collaboration, democratic administration, limitation of private property and non-violent revolution, or call it Gandhian evolution. Industrially put, the special features which distinguish the peace technique from the capitalistic one are:

1. Provision of economic and social services as a necessary part of industrial organization whose expenses should be shared between the State, employers and employees.
2. Provision of an elaborate machinery for the settlement of disputes and necessary legislation.
3. Making workers co-partners of the industry.

The Gandhian technique seeks to strike a peaceful way, which is neither exclusively Capitalist nor exclusively Communist, and which is not in the interest of either this class or that but in the interest of the whole community. It believes that there cannot be any intrinsic antagonism between the real interests of the employers and the employees. Not only that, but their interests are interdependent. They are expected to evolve a corporate programme of activities with both of them as mutual trustees and also as trustees of the consumers. They should, therefore, think in terms of the whole, and should not fight for the rights of conflicting classes. "This is possible where management and men recognize the significance of the new relationship which has developed in industry and are prepared to work out a plan for intelligent and sincere co-operation."§

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§ Clerke, V. M., *New Times, New Methods and New Man*, p. 59.

## Economic and Social Services

The capitalist is expected to shake off old obscurantist ideas about his privileges and personal ownership. He has in the past so ruthlessly exploited his position that the consequent deluge is likely to envelop him at any moment if he is not awake sometimes. He ought to accept now his duties towards the labour and the community. The profit motive is not negatived but it should be limited.\* He should have a sense of social justice and fair-mindedness. "In the city of God," St. Augustine asked, "take away justice; and what are the kingdoms of the earth, but great bands of robbers?" Indeed insistence on social justice is the kernel of Gandhian technique. The industrialists should identify themselves with their workers and should sympathetically understand their difficulties which they should try to remove. The workers should have adequate wages, satisfactory conditions of work and treatment and should be provided with proper housing.† Besides these, provision should be made for economic and social welfare measures, such as education for their children, insurance, provident fund, gratuity, medical relief, industrial training, etc.

The objective of the Second Plan is the creation of a socialistic pattern of society. With that end in view our Government has kept on gradually extending its orbit of influence. A new Industrial Policy Resolution was presented to the Parliament on April 30, 1956, replacing the original resolution of April 1948. This stressed the need to accelerate the rate of economic growth, to speed up industrialization, to expand the public sector and to build up a large and growing co-operative sector. In pursuance of that resolution steel plants as also a State Trading Corporation were set up and life insurance was nationalized.

All this would mean only the beginning of the industrial democracy which implies an equality of opportunity in matters

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\* Cf. "The principle of limitation of profits and of supervision by the State in the public interest has already been admitted and applied in such public utility corporations as the Port of London Authority...the B.B.C."—Huxley, Aldous, *Ends and Means*, pp. 18-19.

† "He considered subsidized industrial housing schemes to be of paramount importance for it was proper housing more than any other amity that would tone up the entire outlook of the workers."—Giri, V. V., ex-Labour Minister to the Government of India, *Hindustan Standard*, 31-3-53.

of food, health and education. This step would go a long way in satisfying a worker's profound aspirations for better life. The State is the greatest employer and it should set an example of an ideal employer which the other employers would follow. The modern tendency in industrially advanced countries is to give accent to these positive activities of economic and social welfare services. If the capitalist is not prepared to carry on industry on this basis but chooses to be guided solely by profit motive, the State is expected to step in and compel the capitalist to do the right by labour. Indeed under the existing industrial order, the State is required "to remove or reduce those elements of unearned or surplus wealth that everywhere are the chief sources of discord and to utilize them for strengthening the economic system and for other work of human progress".<sup>‡</sup> Mr. J. A. Hobson has suggested "a policy of industrial peace now practicable", as follows:

1. The State should secure subsistence wages and other minimum conditions for workers.
2. Owning and controlling the operation of a few essential monopolies by the State, and
3. Securing for public revenue and communal services as large a share as is practicable, of rents, excess profits and inheritance.<sup>§</sup>

In this manner, the surplus profits would be utilized for levelling up the condition of the workers and as the author has put it, "the removal of even the appearance of profiteering would go far towards creating an atmosphere for industrial peace."<sup>§</sup>

### Machinery for the Settlement of Disputes

Two things are necessary for the resolution of the disputes:

1. Building up of responsible organizations of employers and employees; and
- 2.. Building up of elaborate and effective machinery for joint discussion of the problems of the industry and for arriving at collective agreements.

Strong and consolidated organizations either industry-wise or centre-wise would play a weighty part in negotiations and would secure respect for the agreements into which they enter. If there is wise leadership on both sides, problems could be

<sup>‡</sup> Hobson, J. A., *The Conditions of Industrial Peace*, pp. 7, 6.

<sup>§</sup> *Ibid.*, p. 102.

solved more easily. There should be flexibility in reaching compromises on traditional positions by abandoning rigid mental patterns and by patiently awaiting the ultimate attainment of a satisfactory adjustment of differences. It is, however, desirable that all the disputes should be settled at the level of the industry between the management and the workers themselves. There is an increasing tendency, according to the report of the ILO Mission to Turkey, towards self-regulation in industry, superseding State regulation in respect of many labour matters.\*

### Work Committees

Work Committees are the corner-stone of industrial relations. They are for the settlement of differences on the spot between the workers and the management and they supply the key to the structure of peaceful industrial relations. Day-to-day questions are discussed and their later developments may be obviated by these committees. These committees are competent among other things to:

1. establish, within the framework of the general collective agreements, a job classification for all the members of the personnel; and
2. examine and give advice on every proposal made by the management or by the personnel with a view to modifying or increasing production, taking into account existing economic conditions.†

These committees are sometimes entrusted with the functions of the Production Committees also. Thus they occupy a pivotal position in the industry and are able to dispose of the majority of disputes regarding different categories of work and of production.

\* Cf. "The number of experiments in industrial relations has increased steadily during the post-war period, and the experiments themselves have gained in depth and in scope. They are linked up with the ever-spreading desire for a reform of the undertaking, and also with the effort that capitalist economy is making in various ways to adapt itself to meet the growing pressure from employees and the need for co-operation among members of the staff working in an undertaking."—Friedmann, Georges, *I.L.O. Review*, Jan., 1955, p. 79.

† International Labour Organization, *Industrial Relations*, (Textile Committee), p. 68.

## Joint Committees

Joint Committees have been found useful for settling disputes of wider import. These committees will be the best vehicle for improving labour relations and for promoting employer-employee collaboration in the interest of high production and greater wellbeing of the workers. These would also look to the details of the agreements being worked out by professional experts.

## Collective Agreement

When a major dispute cannot be settled by either of the above two committees, it should be referred to the organizations of the employers and employees for further consideration. The collective agreement derives reality only from the organized strength of the workers and a genuine desire on the part of the employers to co-operate with their representatives in exploring every possibility of reaching a settlement. An independent machinery would be necessary to organize working of the collective agreements in detail.

## Arbitration

When the normal machinery fails to settle the dispute, the issue should be referred to an arbitrator or arbitrators acceptable to both the parties. It is always "the most honourable and patriotic course for employers and employees to agree to submit any present or future dispute or classes of such disputes to arbitration of any person or board of their choice".<sup>‡</sup> In the opinion of the INTUC, "the number of such agreements would be a good index of real progress in industrial relations in the country."<sup>§</sup> Sound arbitration, according to Mr. J. A. Hobson, "must base its award upon a recognition of all the interests involved, and its process must provide for a due presentation of interests that lie outside the immediate area of conflict".<sup>§</sup>

In the Gandhian technique, arbitration holds a place of great importance. The arbitrators are to name in advance an umpire to whom the dispute can be referred in case of difference

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<sup>‡</sup> INTUC, *Replies to the Questionnaire on Industrial Relations*, Issued by the Labour Ministry, Government of India, annexure, p. 7.

<sup>§</sup> *Ibid.*, p. 6.

between the two arbitrators. The decision of the umpire is to be final. In the opinion of Mr. Hobson, "even in those countries most dependent upon foreign trade, the peaceful settlement of most disputes can be achieved by the methods of national mediation and arbitration, accompanied by a proper system of taxation and social utilization of surpluses."\*

### Conciliation

When the parties fail to reach an agreement with the help of even an arbitration and the dispute continues, the State is required to step in with an offer of conciliation. The Conciliation Officer has an important role to play for which he should have adequate training and equipment. For cases involving major issues, *ad hoc* or Standing Conciliation Board may be appointed. It may be useful in certain cases to have recourse to an official enquiry for the purpose of avoiding disputes.

### Compulsory Arbitration

In the peace technique, compulsory arbitration has no place except in cases where the Government, in spite of the wishes of the parties, consider it to be proper in their discretion to intervene in the interest of the community or for maintenance of peace or for other reasons. In Britain and America also compulsory arbitration is opposed, because it takes away from employers and unions the responsibility for working out their mutual problems and transfers it to Government-created tribunals. It negates the possibility of collective agreement and replaces it with litigation. Worst of all, it denies the working people the right to protest and to resist a wrong and the right to strike peacefully for improvement in their condition. This spells loss of personal freedom, loss of the power of initiative, loss of hope and aspiration of self-betterment.

### Labour Courts and Industrial Tribunal

Labour Courts should be empowered to take cognizance and dispose of any complaints relating to working conditions, health, safety, welfare and kindred matters. Central Industrial Tribunal should deal with disputes of national importance. The work of the Courts and Tribunal suffers today in quality and

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\* *The Conditions of Industrial Peace*, p. 113.

speed of disposal for various reasons. It would be for the State to remove these defects and arrange speedy disposal of the disputes. Cases before the Central Industrial Tribunal should be rare and, "as far as possible there should be no provision for appeals or references to the special jurisdiction of the High Court."† Legal sanctions may have to be employed for securing due observance of the awards and decisions of the tribunals.

### **Strike**

With such an elaborate machinery for the liquidation of industrial conflicts, it is difficult to conceive a time when the differences would be so emphatic even after many percolations as to be effective enough to cause a strike or a lock-out. But such an eventuality can be imagined. In that event, however, a trial of strength alone remains the only method of reconciliation. A strike or a lock-out is not ruled out in Gandhian technique. But it is resorted to only when all the avenues are tried and adjustment becomes impossible.

### **Co-partnership of Labour**

This is the ideal envisaged in the Gandhian strategy of peaceful industrial relations. Work committees, Joint committees, and quadripartite conferences are the stages at which labour must be associated with industry. These can be said to be various forms of joint consultation. The next and the final step in the peaceful industrial relationship is co-partnership. While explaining the implications of co-partnership, Gandhiji had said that workmen should be regarded as equals with the shareholders and that they had, therefore, every right to possess an accurate knowledge of the industry. The Gandhian way is intended to bring about an order of society ensuring equal status to all its members. This kind of equality should be prevalent in all the classes and strata of society. This democratic socio-economic structure of the Sarvodaya State is rooted in equality and justice. Shree Khandubhai Desai had declared in the seminar on Industrial Relations, held in New Delhi on 16-2-'56:

Success of the Second Five Year Plan and the achievement of the goal of the socialistic pattern of society will very substantially depend on the relations between the employers and employees.... It is, therefore,

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† INTUC, *Replies to the Questionnaire on Industrial Relations*, cited before, p. 29.



necessary that the conciliation machinery should create a proper atmosphere for the speedy implementation of the welfare schemes. §

### Profit-sharing

Profit-sharing is a step in advance of the method of joint consultation and is a precursor of co-partnership. Gandhiji had envisaged labour as a co-partner, co-sharer and co-worker of capital. As such, the workers, in his view, are entitled to their own share of profits. Then alone they would begin to feel that the industry is their own for which they must put in their best efforts. The programme of profit-sharing in some American industries have demonstrated that a firm which offers to organized labour a position of genuine partnership, and recognizes and respects the status of the trade unions, "achieves accelerated production in the interest of the management, labour and the consumer public".\* By sharing profits, an employer acknowledges that profits are a legitimate concern of labour. This new thought is fast gaining ground in America and trade union agreements which include profit-sharing arrangements are increasingly common in American industry.

Nay, the American experiment has gone still further. Because of labour suspicion of the accounting procedures, some profit-sharing plans incorporated in agreements with trade unions permit the unions to check the company's financial records, if they so desire. Be it remembered that the American industrialists chose to agree to the proposal of the labour unions checking the company's financial records in the year 1949. But Mahatma Gandhi had accurately read the advancing trend in the labour psychology as early as in 1937 when he wrote:

It is vital to the wellbeing of the industry that workmen should be regarded as equals with the shareholders and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills. †

One company (Brown Johnson Company) has tried a novel experiment. Instead of fearing that a profit-sharing programme which leads the workers to usurp management powers, Mr. Johnson established a multiple-management plan, giving employees a voice in the formulation of the policy. He wrote:

§ *Indian Labour Gazette*, February, 1956, p. 608.

\* Thompson, *Profit-Sharing*, p. 23.

† *Harijan*, 13-2-37, p. 4.

Today, we are called on to choose between the old and the new capitalist society. The old is loaded down with petrified prejudices.... The new and progressive view holds that the capitalism is a human institution vibrant and evolutionary, capable of constantly adjusting itself to new conditions, a tool in the hands of the people to be used for the good of all.†

Such profit-sharing arrangements virtually mean the acceptance of co-partnership of labour. Only the Tatas of Jamshedpur in India have started profit-sharing in their company. The workers there were entitled under the collective agreement on profit-sharing bonus scheme which was revised in 1953, to a share of 30 per cent of the net profit of the company. Accordingly they received the bonus of Rs. 1,07,02,064 for the year 1956-57.‡ We submit that such experiments alone would be able to assuage the rising labour discontent. Provision of economic and social services and profit-sharing schemes represent two different approaches. Ideologically, the former aspires to supply the deficiency in the life of the workers, while the latter is an invitation to them to be co-partners of the industry. The ideal, however, is that profit-sharing should be regarded as a transitional stage, and that the proper arrangement should be a fair pay to both the managing and the working staffs.

### **Peace-Based Industry**

The foregoing discussion has postulated the existing economic way as the basis of social life. It is the laissez-faire system where "justice is the right of the stronger" and where the industrial peace depends upon the right distribution of surplus profits. But the industrial organization is never a static matter. It undergoes continuous changes as are demanded by changing circumstances. If peace is to be a desirable concomitant of our industrial life, it should not be beyond our power to envisage and bring into being an industrial structure which should, in its very nature, be conducive to peace, both internal and external. External peace would minimize the chances of war, and internal peace would secure harmony among the constituents of the national life. Such experiments, though on a small scale, are being carried out in Scandinavian countries and from the accounts received here, it appears that they have shown a great measure of success. The A.I.C.C. of the Indian National Congress had

† *Profit-Sharing*, cited before, p. 244.

‡ *Indian Worker*, Special Independence Number, Aug. 1957, p. 13.

appointed an Economic Programme Committee in 1948, "to draw up an economic programme . . . with an economic structure which would yield maximum production without the operation of the private monopoly and the concentration of wealth, and which will create a proper balance between urban and rural economies". Such a structure alone, the Committee pointed out, would provide an alternative to the acquisitive economy of the private capitalism and the regimentation of a totalitarian State. The details of the Committee's suggestions regarding industrial set-up have been discussed in chapter IX.

Accordingly, the structure in brief should be:

1. Key industries should be gradually nationalized. They should either be State-owned or State-controlled.

2. The industries directly related to food, cloth and habitation should be free from State-control and should be easily accessible to individuals.

3. The remaining industries should be decentralized.

This industrial order would greatly minimize economic disparities and would secure freedom to individuals for self-development. It plans an industrial order based on mixed economy which is intended to utilize in the maximum measure the human and material resources available in India and to lead to increased production of goods, and reduction of inequalities of income, wealth and opportunity. This would represent the Indian approach to the ideal of industrial democracy. As the plan is conceived on self-sufficiency basis, the consequent industrial order would not develop into a menace to the neighbouring countries. In this manner, India's trade relations with the other countries would solely be for mutual benefit and not for exploitation. This should normally abate the incidence of war.

### Science of Industrial Relations

We have seen that in the West, the development of peaceful industrial relations has taken the line of democracy and Socialism. In England, for example, the Fabians argued that the greatest good of the greatest number would be promoted neither by laissez-faire nor by a proletarian dictatorship but by using "the instrument of franchise to capture Parliament and thus convert the State into an instrument of public welfare".§

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§ Cole, G. D. H., *A Short History of the British Working Class Movement*, p. 236.

A special branch of industrial psychology was developed in the West as an aid to scientific management. In big industrial concerns, effective control of the working men and women seemed difficult without an insight into the working of their minds. So industrial psychology was pressed into service. Various incentives were devised to call forth full capacities of the workers. Such was the nature of the democratic management where personal creativity flowed into group achievement and where personal enlargement and security were attained in co-operative labour. This was how industrial democracy was developed in the western nations.

Gandhiji was an admirer of the Port Sunlight Colony of Messrs. Lever Bros. which is a model garden-village of Cheshire in England. The company works a big, busy plan for the manufacture of Sunlight soap for the "mountains of clothes to be cleaned, millions of pairs of hands to be washed and countless chins to be shaved."† "He who wants to make his men happy and contented." Gandhiji had said in one of his meetings at Ahmedabad, "can do it in a variety of ways. Do you know of Lever Bros.? Their Port Sunlight is an ideal colony."\* In his opinion Messrs. Lever Bros., "lost nothing by doing all that they did. They felt so encouraged that they even tried to create another Port Sunlight in Natal".‡

But in the same meeting he had explained more vividly his own view-point regarding labour relations. He said:

Sheth Kasturbhai was delighted with Port Sunlight and rightly. But Port Sunlight cannot be our ideal. Messrs. Lever Bros. represent to my mind the minimum standard that an employer must do for his employees. To do less would be a discredit. But we cannot afford to rest content with that. We must think in terms of our own civilization, and if the picture presented to us in the Mahabharat and the Ramayan of the social conditions prevailing in the ancient times be correct, our ideal would seem to go much farther than Port Sunlight.... The relation between mill-agents and mill-hands ought to be one of father and children or as between blood-brothers. (This is) what I regard as the highest ideal.‡

Thus even in the western countries, attempts are being made for some time to evolve industrial relations on democratic

‡ *The Story of Port Sunlight*, 1951, p. 7.

\* *Young India*, 9-6-'27, p. 191.

† *Young India*, 10-5-'28, p. 145.

and peaceful lines. In India, we are trying to achieve the same end through Sarvodaya i.e. through bringing about the greatest good of all by non-violent means. It is up to the proponents of democracy—both the industrialists and the workers—to remember that if this normal desire is not satisfied, the totalitarian ideology would certainly take the field.

#### Ahmedabad Textile Labour Association

The second part of the thesis gives a running history of the Ahmedabad Textile Labour Association from 1917 to 1955-56. It includes also a chapter on INTUC. This all-India organization can be said to represent in a way a prolongation of the operation of the Gandhian technique and therefore, a natural extension of the Ahmedabad Labour Association. In the opinion of Mahatma Gandhi, the Association represents the experiment of non-violence in labour work. During the whole period of 38 years, there was no major strike in Ahmedabad except in 1923. "It is significant," the Royal Commission of Labour in India (1931) observed in its Report, "that in Ahmedabad there is greater understanding if not sympathy between the employers and the employed than is usual elsewhere."\* This is probably the reason why "the most notable arbitration machinery without any State intervention functioned in Ahmedabad".†

The membership and finance of the Association for the last ten years are as follows:

Year	Membership	Monthly Average Income Rupees	Monthly Average expenditure Rupees
1946-47	49,234	18,622	23,623
1947-48	52,846	26,752	27,246
1948-49	1,04,180	51,925	39,181
1949-50	79,185	55,745	47,313
1950-51	78,437	54,840	52,647
1951-52	73,410	51,114	53,821
1952-53	75,302	50,555	52,335
1953-54	81,139	55,767	52,173
1954-55	82,201	57,322	54,123
1955-56	80,587	59,447	59,514 ‡

\* P. 340.

† *Trade Unionism in India*, cited before, p. 368.

‡ *The Ahmedabad Textile Labour Association Records*.

The Association's main activities are:

1. Redress of complaints,
2. Social welfare, and
3. Office administration.

The Association regards its social welfare activities as most important. According to Shrimati Anasuyabehn Sarabhai:

Mere struggle for wage increase and for other amenities of life are not the end of all activities (of labour unions)... Equally important is the workers' all-round development, happiness and becoming ideal citizens in personal, family and social life.†

This is the reason why the Association since its inception, is spending substantial amounts towards its social welfare activities. The following table shows the amounts the organization has spent during the last nine years:

Year	Amounts Expended Rupees
1947-48	1,25,195
1948-49	1,39,439
1949-50	2,27,149
1950-51	2,18,496
1951-52	2,63,703
1952-53	2,55,926
1953-54	2,24,017
1954-55	2,27,927
1955-56	2,50,831 §

One can imagine what an enlightening influence these welfare activities provide to the life of the workers.\* The Association was running during the year of 1955-56, 58 reading rooms and libraries, 3 schools, 8 gymnasiums, and 4 dispensaries.

† *Indian Worker*, Special Independence Number, p. 26.

§ For details, see Appendix I, Table 5.

\* Cf. "If welfare services are applied as a part of a pattern of social advancement, they can be of service not only to the workers who benefit from them, but also to the employer and indirectly to society as a whole.... Suspicion and antagonism towards welfare measures have not yet disappeared, but they are steadily giving way to increasing understanding and active support on the part of all concerned."—Paul Chu, *I.L.O. Review*, June 1955.

Relevant information pertaining to the Ahmedabad Textile industry for the same years is given below to give the reader a comparative idea about the extent of the work of the Labour Association:

### Ahmedabad Cotton Textile Industry

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Year	No. of Mills	No. of spindles installed	No. of looms installed	No. of men at work	Total wage Bill ( Rs. in lakhs )
1948-49	74	18,75,340	42,403	1,30,366	2111.39
1949-50	74	19,16,908	42,256	1,19,940	1933.42
1950-51	74	19,80,032	42,165	1,20,158	2071.57
1951-52	74	20,23,552	42,371	1,25,618	2004.87
1952-53	74	20,55,710	42,578	1,25,146	2284.11
1953-54	74	20,67,200	42,607	1,25,984	2135.69
1954-55	71	20,23,890	41,519	1,26,612	2121.51

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The production in Ahmedabad per worker per month is about 800 (1956) yards while the average Indian production is 600 (1956) yards.† The absenteeism figures for Ahmedabad since 1947 till Sept. 1955, are the least among the three textile centres of the Bombay State.‡ The percentage of deficit budgets (1948) in Ahmedabad was 20; while the same in Bombay was 33.5.§ The dearness allowance till 1953 was generally greater in Ahmedabad than in Bombay.\* The bonus sums (1955) in Ahmedabad and Bombay were respectively Rs. 90 and Rs. 64-4-5.† The popularity of the peace method can be gauged by the fact that the INTUC of all the labour organizations today commands the overwhelming membership.‡

### Peace, a Force in the Modern World

Industrial peace, we repeat, should be regarded as a part and parcel of the whole peace of man's life and as such cannot be established in industry unless peace in other departments

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† *Centenary Volume*, cited before, p. 134.

‡ Appendix I, Table 1.

§ Appendix I, Table 2.

\* Appendix I, Table 3.

† Appendix I, Table 4.

‡ Appendix I, Table 7.

of life has also been achieved. That would be a possibility when there is economic equality, political liberality and spiritual catholicity. Sarvodaya seeks to build up a social order where all would be able to accomplish their progress without coming in conflict with anybody else. Non-violence thus becomes a law of life.

The whole world today is marching towards oneness. In fact, this is the spiritual urge which is driving man from time immemorial to seek the fulfilment of his life in his merging in the universe. "This movement of humanity all these years has been towards human brotherhood."§ In modern times such endeavours are multiplied many times. Erstwhile fighting nations are signing international pacts for the furtherance of commercial enterprises and for mutual help. Ambassadorial missions are exchanged for mutual understanding. World movements of labour, women and children are intended to help all nations to march together. The United Nations Organization (UNO) is launching big schemes to help nations to undertake programmes for health, education, agriculture, dairying, etc., and is offering experts to direct the operations of these schemes. Are these not man's conscious efforts to realize the unity of humanity? Colds and fevers are our physical ailments; prejudices, jealousy, avarice and anger are the deformities of our minds which deflect us from the path of progress. Man's frantic efforts to seek his development through identification with humanity are meant to discipline his wayward desires and to negate the limitations of his finite existence.

Lenin, Stalin, and Hitler created divisions in nations and races and made them fight among themselves. But was not their departure from earth a signal for their political descendants to declare their readiness to co-operate with their erstwhile enemies? Was not Gandhiji's following Marx a historical necessity? Where would man be in this great advance, if he refuses

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§ Dr. Radhakrishnan, S., *Mahatma Gandhi*, p. 20.

Cf. अस्मिन् सर्वाणि भूतानि आत्मैवाभूद् विज्ञानतः ।

ईशावास्योपनिषद् ७.

(In whom the Soul became all the beings.)—*Ishopanishad*, 7.



to cultivate non-violence but would continue to beat his old drum of class-war?

### The Message of Sarvodaya

Let us examine industrial relations on the background of these world forces. Would the modern capitalist ever hope to continue to score victories over their workers when the proletariats are ruling in the neighbouring nations? The progress of the consciousness of freedom is the essence of modern history. Serfs are becoming free, small nations are becoming independent, princes surrendered their age-old kingdoms and zamindars donate a part of their lands to the landless. The whole atmosphere is surcharged with the clamour "Surrender or ye shall sink". Karl Marx asserted that this transfer of wealth was impossible without violence. Mahatma Gandhi demonstrated that with persuasion, love and patience, the transfer *can* be effected.

But the peace to be effective must be all comprehensive and integrated. This is the message of Sarvodaya. It requires that peace must permeate all the departments of man's life. His politics, economics, education, science, religion, social activities and social contacts, art, law and ethics, and his commerce and industry must be the expressions of his non-violence. Mahatma Gandhi rightly asserted, "Non-violence can be and has to be practised by society as a whole."\*

The attainment of freedom, the functioning of the Constituent Assembly, the adoption of the Constitution, countrywide elections on the basis of adult franchise, the merging of the States, the Bhoodan movement, the abolition of zamindari and the adoption of the socialistic pattern of society for future India are significant steps of the national reconstruction taken by our Government in consonance with the Gandhian ideology of peace. The great work of the second Five-Year Plan lies now ahead of us. Our Government has fixed up production targets in all the sectors of industry. Obviously, this would be a tremendous corporate activity which demands the close co-operation of the employers and the employees. The Report of the First Five-Year Plan has made a pointed reference to the peaceful

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\* *Harijan*, 12-1-47.

and democratic relationship which must exist between all the participants of this colossal work. It said:

Society can develop and adapt itself to changing conditions as an integral whole and the position occupied by particular classes at a given time can be altered peacefully by democratic methods through these very classes appreciating the need for change and respecting the democratic method.†

Democratic relationship in industry can be secured only by bringing about a change of heart in all the parties concerned. While considering the Companies Act, 1956, we had in view only the managing agents and shareholders. Shree Shankarlal Banker suggests now an advance step as below:

The Government should now replace this by such legislation regarding limited companies in which the "Article of Association" and "Memorandum" should state clearly that in the management of industries in addition to the reasonable benefits of managing agents and shareholders, the interests of the workers, consumers and the society as a whole should also be safeguarded...that it is the people who are the masters and that the managing agents are only their trustees.‡

The idea of trusteeship should not be taken as a mere slogan. George Goeder, himself an American industrialist, gives in his book, *Future of Private Enterprise*, some examples of proprietors who are guided by the principle of trusteeship. In Germany Carl Zeiss, the owner of the renowned blast factory, runs his concern as a trustee and has achieved considerable success. The American author has come to the conclusion after an exhaustive survey that partnership between management and workers alone can save the future of industry.\*

### Altruism, the Only Way to Peace

The establishment of peace is a great and good work and requires an effort and a sacrifice of old cherished privileges and aspirations. In the very nature of things, the pioneers in the field would only be a few noble souls. Those alone who feel intense love and sympathy for humanity and are ready to participate in its joys and sorrows, would be deeply moved to undertake works of altruism, generosity and sacrifice. In the Gandhian

† P. 17.

‡ Article "Concept of Trusteeship in Industry" in the *Indian Worker*, Special Independence Number, August 1957, p. 25.

\* Summarized from the article quoted above.

technique, the *number* of pioneers does not count. "In Satyagraha, success is possible even if, there is only one Satyagrahi of the proper stamp,"‡ was the reply of Gandhiji given to one of the questions of the Hunter Committee. Those employers and employees who believe in the Sarvodaya ideal should start from themselves. History shows that it is initially the isolated individuals who were able to change the life currents of humanity. Buddha, Mohammed, Jesus Christ, Gandhi or Lenin started on their mission alone. Their followers came on later. Great reforms begin always with individuals.

### India's Heritage

Peace is in the very veins of the Indians. Do not Hindus' morning and evening prayers invoke peace for all the world? Indeed, their conception of peace is not restricted to human beings alone, but is extended even to four-footed animals. "Hinduism excludes all exploitation....She is not to copy Europe blindly,"§ Gandhiji has warned us. The very meaning of the word "Islam" is "peace", "safety", "salvation". The message of Jesus Christ is to love one's neighbour as oneself. According to Gandhiji, "Christianity's particular contribution is that of active love."\* Peace, therefore, is India's precious heritage. He further wrote: "our Socialism and Communism should be based on non-violence and on harmonious co-operation of labour and capital, landlord and tenant....I have no doubt that we make as good an approach to Socialism as is possible for any nation, not excluding Russia, and that without violence."†

Is it not our capital duty to continue this noble tradition of peace in all the departments of our life including that of industry? Shall we acquit ourselves creditably?

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‡ *Young India*, 21-2-'20.

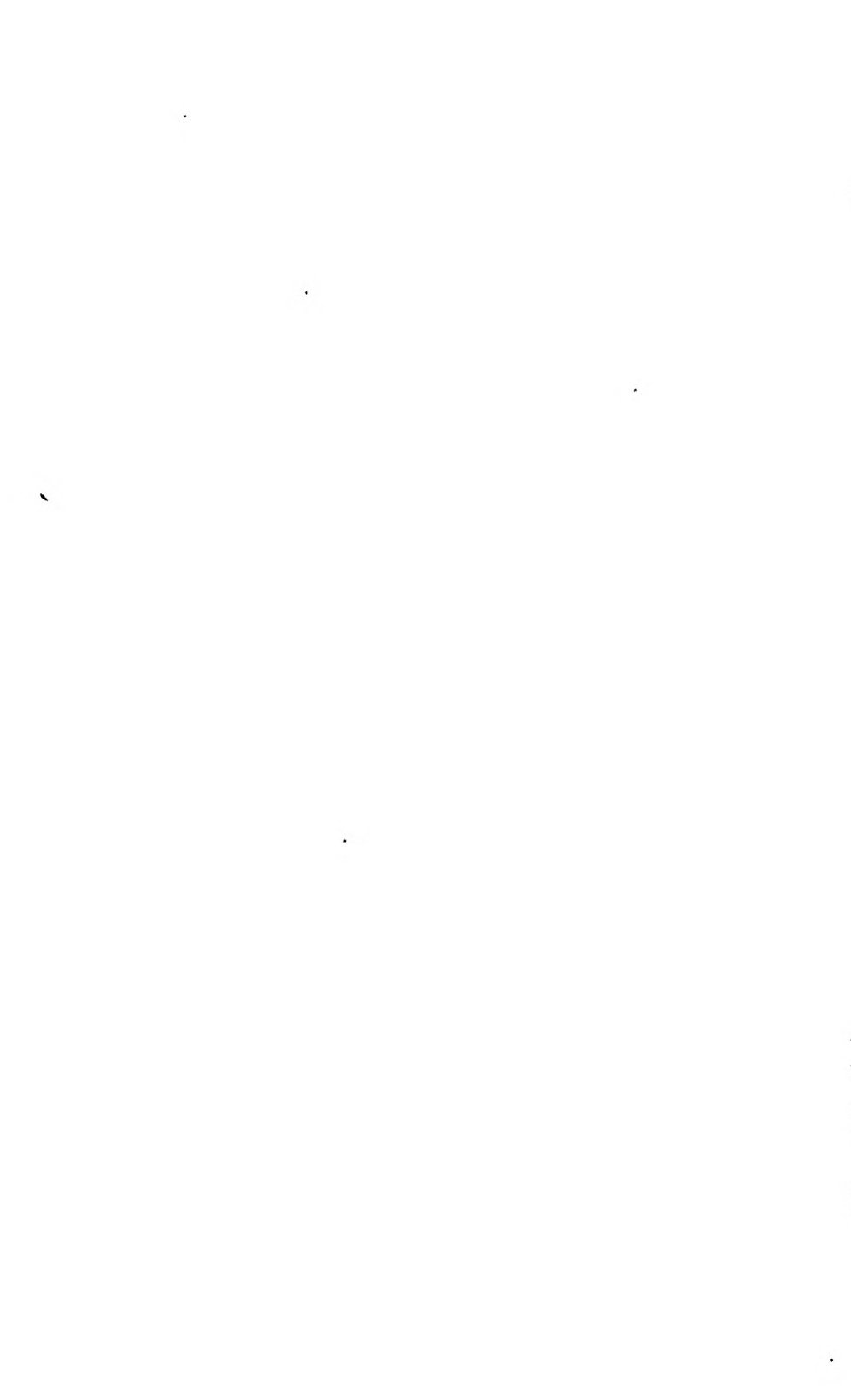
§ *Harijan*, 26-12-'36, and *Young India*, 11-8-'20.

\* *Young India*, 31-12-'31.

† *Harijan*, 2-1-'37, p. 375.

## APPENDICES

[ TABLES, CHARTS AND PLAN ]



## Appendix I

Table 1

Percentage of Absenteeism in Cotton Industry

Period	Bombay	Ahmedabad	Solapur
1947 (Average)	14.4	6.4	19.1
1948 „	13.3	5.9	18.1
1949 „	15.9	7.4	21.3
1950 „	14.5	8.4	20.1
1951 „	12.7	8.3	18.7
1952 „	12.7	8.8	20.2
1953 „	12.6	9.4	20.4
1954 „	10.8	8.7	17.4
1955 :			
Jan.	7.3	5.8	16.9
Feb.	6.9	6.5	18.4
March	8.6	6.9	18.2
April	9.6	7.6	19.8
May	10.2	8.7	23.5
June	8.7	7.5	18.5
July	7.8	6.6	16.0
Aug.	7.4	6.2	14.8
Sept.	7.6	6.6	15.4

— *The Indian Labour Year Book*, 1954-55, p. 33.

Table 2

DEFICIT BUDGETS (1948)

Centre	Families inquired	deficit budgets	Percentage of deficit Budgets
Bombay	2030	681	33.5
Ahmedabad	1820	362	20.0

— *Report on an Inquiry into Family Budgets of Industrial Workers of Ahmedabad by the Government of India*, 1948.

Table 3  
Monthly Dearness Allowance in Two Important Textile Centres

Year	Bombay	Ahmedabad
	Rs.As.Ps.	Rs.As.Ps.
1947	40-6-3	55-2-5
1948	50-3-6	62-12-11
1949	51-8-3	67-15-7
1950	52-5-10	71-6-5
1951	57-7-0	70-10-3
1952	59-4-0	70-13-11
1953	66-2-0	76-15-1
1954	71-11-0	68-0-9
1955	64-12-0	53-13-3

*- Bombay Labour Gazette.*

Table 4  
Bonus at Two Important Textile Centres

Year	Bombay	Ahmedabad
	Rs.As.Ps.	Rs.As.Ps.
1946	78-0-0	84-0-0
1947	97-0-0	96-0-0
1948	198-0-0	202-0-0
1949	88-0-0	90-0-0
1950	80-0-0	90-0-0
1951	136-8-0	135-0-0
1952	54-8-9	20-0-0
1953	65-7-6	50-0-0
1954	65-7-1	50-0-0
1955	64-4-5	90-0-0

*- Ahmedabad Textile Labour Association's Records  
& The Bombay Cotton Mill Worker.*

Table 5

Expenditure for Welfare Activities Conducted by the Ahmedabad Textile Labour Association

Year	Reading Rooms & Libraries		Gymnasiums		Education		Medical Aid		Rural Uplift Work		Co-operative Movement		Publication		Research Library		Other Social Activities		Maternity Home Conducted by Labour Welfare Trust
	Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		
1947-'48	8,114	2,680	39,813	15,468	—	—	—	—	—	—	—	14,163	2,448	29,526	12,983	—	—	—	
1948-'49	8,052	7,069	41,553	23,823	—	—	—	—	—	—	—	24,758	6,828	10,261	17,095	—	—	—	
1949-'50	13,671	6,088	52,282	32,731	—	—	—	—	—	—	—	23,011	6,089	49,154	34,023	—	—	—	
1950-'51	13,402	5,450	43,772	35,139	9,908	—	—	—	—	—	—	34,844	7,836	31,850	31,295	—	—	—	
1951-'52	13,403	5,050	46,340	37,419	11,699	—	—	—	—	—	—	42,193	10,477	62,353	34,769	—	—	—	
1952-'53	14,318	4,962	55,192	28,188	9,846	—	—	—	—	—	—	24,979	8,964	69,769	39,708	—	—	—	
1953-'54	14,948	5,294	29,904	23,752	8,075	—	—	—	—	—	—	21,754	13,834	62,981	43,475	—	—	—	
1954-'55	14,508	5,882	25,205	22,239	8,683	—	—	—	—	—	—	18,714	8,458	70,416	47,071	—	—	—	
1955-'56	17,460	5,623	22,017	28,238	8,119	—	—	—	—	—	—	18,676	9,104	92,798	45,682	—	—	—	

— Ahmedabad Textile Labour Association Records.

— Ahmedabad Textile Labour Association Records.



Table 6  
SOCIAL WELFARE WORK  
of the  
AHMEDABAD TEXTILE LABOUR ASSOCIATION

Type of social activity	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
1. Reading Rooms & Libraries	75	75	75	46	51	58
2. Schools	9	9	9	6	3	3
3. Gymnasiums	9	9	7	8	8	8
4. Dispensaries	5	5	5	5	4	4

- Ahmedabad Textile Labour Association Records

Table 7  
Membership of All India Organizations  
as on 31st March, 1955

Name of the Organization	No. of affiliated unions	Total membership
Indian National Trade union Congress (INTUC)	604	9,30,968
All India Trade Union Congress	481	3,06,963
United Trade Union Congress	228	1,95,242
Hind Mazdoor Sabha	157	2,11,315
Total	1,470	16,44,488

- *The Indian Labour Year Book*, 1954-55, p. 157.

## PEACEFUL INDUSTRIAL RELATIONS

## CHART I

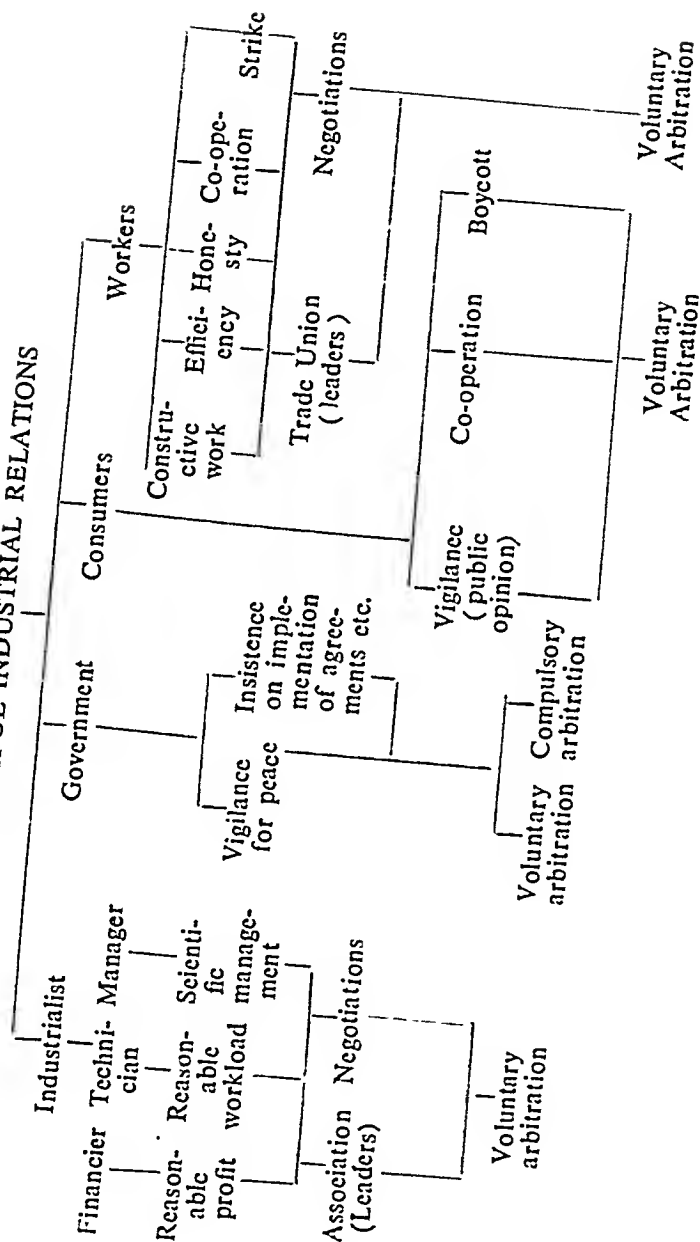
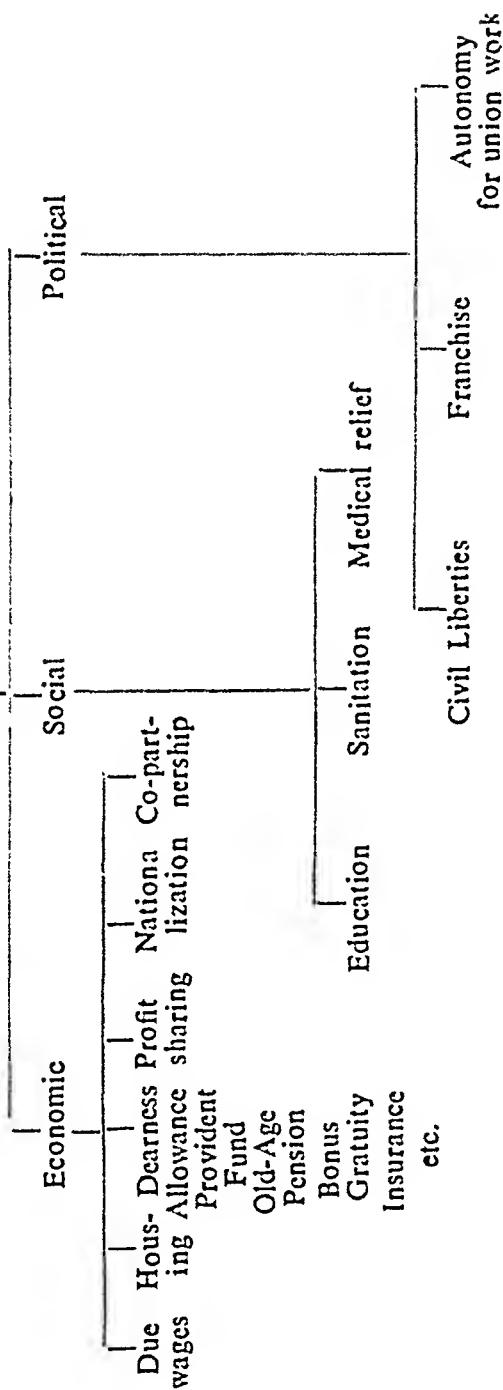


CHART 2  
PEACEFUL WORKERS' DEMANDS



## Appendix III

### THE AHMEDABAD TEXTILE LABOUR ASSOCIATION'S PLAN OF ACTIVITIES

#### Standing Order No. 1

The following revised Plan of Activities is adopted for the administrative work of the Textile Labour Association, Ahmedabad:

#### I. ELECTION AND MEETINGS

(1) Election under the Constitution: (a) Departmental Unions; (b) Ward Unions.

(2) Meetings under the Constitution: (a) Advisory Committee; (b) Central Executive Committee; (c) Executive Committees of Constituent Unions; (d) Joint Board of Representatives; (e) Board of Representatives of Constituent Unions; (f) Ward Union meetings.

(3) Other Meetings: (a) Standing Committees; (b) Special Committees; (c) General Meetings; (d) Mill Meetings; (e) Ward Meetings; (f) Staff Administrative Meetings; (g) Miscellaneous Meetings.

#### II. MEMBERSHIP FEES

(1) Collection: (a) Departmental Unions—Group A, Group B, Group C; (b) Ward Unions.

(2) Recording: (a) Departmental Unions; (b) Ward Unions.

#### III. UNION DEVELOPMENT

(1) Propaganda and Organization: (a) Departmental Unions; (b) Ward Unions.

(2) Vigilance: (a) Departmental; (b) Ward.

#### IV. CONDITIONS OF WORK AND DISPUTES

(a) Conditions; (b) Complaints.

(c) Action under the Bombay Industrial Disputes Act; (d) Arbitration; (e) Labour Legislation.

**V. TRADE BENEFITS**

- (1) Victimization Benefit.
- (2) Legal Aid : (a) Industrial; (b) General.
- (3) Strike Aid.
- (4) Help in Compensation of Accidents.
- (5) Employment Aids : (a) Secondary Occupations;
- (b) Other Aids.

**VI. SOCIAL CENTRES**

- (1) Recreation.
- (2) Health.
- (3) Instruction : (a) Libraries and Reading Rooms;
- (b) Visual Education.
- (4) Miscellaneous.

**VII. SOCIAL BETTERMENT**

- (1) Education : (a) Day Schools; (b) Night Schools;
- (c) Adult Literacy Classes; (d) Nursery School; (e) Girls' Hostel;
- (f) General.
- (2) Medical Aid.
- (3) Cheap Credit and Savings.
- (4) Work for Backward Communities.
- (5) Cheap Stores.
- (6) Welfare Work among Women.
- (7) Miscellaneous.

**VIII. CIVICS**

- (1) Civic Conditions.
- (2) Municipal Complaints.
- (3) Labour representation in the Municipality.

**IX. INFORMATION BUREAU**

- (1) Library.
- (2) Cuttings.
- (3) Bibliography and Reference.
- (4) Investigations.
- (5) Compilation.

**X. PUBLICITY**

- (1) Periodical : (a) *Majur Sandesh*.
- (2) Miscellaneous.

**XI. RELATIONS WITH OTHER SECTIONS OF LABOUR**

- (1) Local.
- (2) Textile Federation.
- (3) Other Centres.

**XII. OFFICE ADMINISTRATION**

- (1) Constitution and Bye-laws.
- (2) Returns and Procedure under Government Acts and Rules.
- (3) Organization of Work: (a) Plan and Time Studies; (b) Distribution of Work; (c) Rules and Instructions.
- (4) Staff.
- (5) Records.
- (6) Reports.
- (7) Other Arrangements.
- (8) Office Information.
- (9) Central Correspondence.
- (10) Cash.
- (11) Stationery, Store and Stock.
- (12) Accounts.

**XIII. SUBSIDIARY ACTIVITIES**

- (1) Press.
- (2) Studio.

**XIV. GENERAL**

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